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No. 29

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SOVIET FOREIGN TRADE MINISTER COMMENTS ON USSR-CEMA TRADE

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 2, 1982 pp 11-13

[Article by Nikolay Patolichev, USSR minister of foreign trade: "Foreign Trade of the USSR With the CEMA Member Countries: Results and Prospects"]

[Text] The consecutive congresses of the communist and workers' parties of the member countries of CEMA represent milestones in their political and economic life. At these congresses the fulfillment of the 1976-1980 national economic plans was assessed and the programs of social and economic growth for the current five-year plan period were outlined.

At the congresses, considerable attention was devoted to the experience in implementing the Integration Program, which demonstrated the validity of the course toward strengthening mutual cooperation and developing socialist economic integration as worked out by the communist and workers' parties.

Of major importance to the closer cooperation of the fraternal countries are the decisions adopted at the 35th CEMA Session (July 1981) in Sofia. As pointed out at that Session, in the last 10 years the economic might of the socialist community markedly increased and its position in the world economy became consolidated. The member countries of CEMA made advances in their economic development and assured an increase in the material and cultural standards of their nations.

In 1980, compared with 1975, mutual turnover of these countries increased by 69 percent and reached more than 119 billion rubles. The highest growth rates were recorded for the exports of machinery, equipment, and chemicals, i.e. of the sectors which determine technical progress. A vitally important role for the fraternal countries was played by mutual deliveries of energy,fuel, and raw materials.

The development of foreign trade of the USSR during 1976-1980 was determined by the decisions of the 25th CPSU Congress. The Directives of that congress concerning the Five-Year Plan period provided for: increasing by 30-35 percent the volume of foreign-trade turnover during that period and assuring the fulfillment of the Integration Program and the Coordinated Plan for Multilateral Integrative Measures for the period.

Translating into reality these decisions, the foreign-trade organizations of the USSR oriented their efforts toward expanding goods turnover with all countries and primarily with the member countries of CEMA. In 1980 this turnover exceeded 45 billion rubles, that is, was 74 percent higher than in 1975. A country-by-country breakdown of that turnover is provided in Table 1.

Table 1. Trade Between the USSR and the CEMA Member Countries (in millions of rubles)

Country	1975	1980	1980 in % of 1975
Bulgarian People's Republic	3,990.8	7,099.1	177.9
Hungarian People's Republic	3,273.7	5,738.2	175.3
Socialist Republic of Vietnam	206.5[1]	612.4	296.6
GDR	5,623.4	9,200.0	163.6
Republic of Cuba	2,589.0	4,266.0	164.8
Mongolian People's Republic	484.4	883.6	183.9
Polish People's Republic	4,853.3	8,001.9	164.9
Socialist Republic of Romania	1,525.8	2,791.5	183.0
Czechoslovak Socialist Republic	3,911.2	7,184.0	183.7
Total	26,454.1	45,776.8	173.0

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[1] Data for the DRV [Democratic Republic of Vietnam]

In the past Five-Year Plan period the mean annual growth rate of mutual deliveries of output between the USSR and the CEMA member countries reached 11.6 percent and the volume of these deliveries exceeded 189 billion rubles or 51.7 percent of the total foreign trade of the Soviet Union.

The high growth rate and scale of foreign trade point to the further expansion and deepening of international socialist division of labor and the intensification of integrative processes in production, science, and technology.

The high proportion of their goods turnover with the USSR enables the member countries of CEMA to reduce the exposure of their economies to the negative consequences of crisis phenomena in the world capitalist economy. Here, the role of mutual deliveries of machinery, equipment, fuel, and raw materials is particularly great. In 1980 the exports of machinery and equipment, for example, increased by 52.3 percent compared with 1975, and the imports, by 52.1 percent.

Given its large economic, technological, and scientific potential, the Soviet Union has been providing and continues to provide extensive assistance to the CEMA member countries in the construction of industrial facilities, in addition to sharing with them its advanced manufacturing and scientific-technical knowhow. Exports by the USSR cover, for example, 55 percent of Bulgaria's import needs for machinery and equipment and 70 percent of its needs for ferrous rolled stock. Owing to the deliveries of heavy-duty and economical diesel locomotives from the

USSR, the GDR is steadily expanding the modernization of its railroad transport. One-third of the tractor fleet of the GDR consists of Soviet-produced machines. In Czechoslovakia, the USSR has assisted in building the first stage of the nuclear power plant in Jaslovske Bohunice and plans to supply equipment for the second stage. The USSR also is assisting in the construction of the nuclear power plant in Dukovane. Soviet equipment will be supplied to Czechoslovakia's third nuclear power plant in Mohovce. Imports from the USSR cover or nearly cover Cuba's needs for motor vehicles, machine tools, aircraft, and agricultural machinery. In Mongolia there is under way the construction of many industrial facilities of which the largest, the Erdenet Mining and Concentrating Combine, has already started operation. A large part of civil air transport and certain other means of transport in the CEMA member countries also is of Soviet origin. The USSR also provides equipment and assistance to its partners in the construction of subways.

Along with this, as was pointed out at the 35th Session of the CEMA, the capacious Soviet market guarantees the fraternal countries stable sales of a large part of the machinery and equipment they assign for exports.

Currently the Soviet Union receives 62 percent of all exports of machinery and equipment by Bulgaria. The People's Republic of Bulgaria supplies the USSR with a broad variety of agricultural equipment and large quantities of intra-shop transport and hoisting machinery. Hungary increases each year its exports of motor coaches to the USSR. In the last 5 years alone the USSR has received 32,000 "Ikarus" buses. Owing to the Soviet orders, the plant manufacturing these buses has become one of Europe's largest enterprises in its field. Equipment bearing the trademark "Made in the GDR" is supplied to major new Soviet construction projects in the chemical, tractor, metallurgical, light, and other sectors of the national economy. The GDR also provides the USSR with large numbers of freighters, passenger ships, high-tonnage fishing-factory ships, railroad passenger and refrigerator cars, computing equipment, and many other types of machinery and equipment. Mining equipment made by Romania has won for itself a good reputation in the USSR. The fields of our kolkhozes and sovkhozes are tilled with quite a few agricultural machines built in that country. From Czechoslovakia the Soviet Union receives rolling-mill equipment, a large number of diesel shunting locomotives, trolley cars, and trolleybuses. During the 1976-1980 period Czechoslovakia exported to the USSR equipment for 15 ammonia plants, 6 carbamide plants, etc.

The evolution of goods turnover between the USSR and the member countries of CEMA is increasingly influenced by the development of such forms of production cooperation as the joint construction of large industrial facilities whose operation is of interest to all or some fraternal countries. The growth in the deliveries of machinery and equipment from these countries to the USSR has been and is promoted by the construction of facilities provided for in the Coordinated plans for multilateral integrative measures in the past and present five-year plan periods. Such projects include the unique-scale "Soyuz" Gas Pipeline, the Vinnitsa-Alberttisza LEP-750 [Electric Transmission Line], the Kiyembayevskiy Asbestos Combine, the Ust'-Ilimsk Pulp and Paper Plant, new capacities for the production of iron-containing raw materials and ferroalloys, the Novovolynskiy Electrical Equipment Plant, the Mozyr' plant for processing petroleum into nutrient yeasts, the Khmel'nitskaya Nuclear Power Plant, the extension of LEP-750 to Rzeszow (Poland), etc.

As known, the normal functioning of any economic organism requires an ever increasing quantity of energy, fuel, and raw materials. This problem is being solved by the various countries primarily through the exploitation of their own resources and various conservation measures. At the same time, mutual deliveries of fuels and raw materials are of tremendous importance to the vigorous and stable development of the member countries of CEMA. They meet the preponderant part of the import needs of these countries.

Deliveries from the USSR cover, for example, 80 percent of Bulgaria's import needs for crude and refined petroleum; 90 percent of such needs in Hungary and the GDR; more than 95 percent of such needs in Czechoslovakia, and so on. The same can be said of natural gas, cotton, and lumber. The USSR also supplies the member countries of CEMA with a substantial quantity of manufactured consumer goods.

In its turn, the USSR receives certain types of raw materials from the member countries of CEMA. To meet more fully the demand of the Soviet population for light-industry products and manufactured consumer goods in general, we import from the member countries of CEMA large quantities of garments, knitwear, rugs, furniture, chemicals, haberdashery goods, and other consumer goods.

As in the past so in the present five-year plan period the foreign trade of the USSR with the member countries of CEMA is developing on the basis of bilateral longterm agreements. The agreements for the 1976-1980 period provided for a goods turnover of about 163 billion rubles between the USSR and these countries. Actually, however, as we noted previously, it exceeded 189 billion rubles.

Allowing for mutual interest in strengthening the integrative processes, expanding the international socialist division of labor, and increasing mutual goods turnover, longterm agrements have also been signed for the 1981-1985 period, providing for the following volume of mutual deliveries of production (Table 2):

Table 2. Mutual Deliveries of Goods Between the USSR and Other CEMA Countries

Country	1981-1985, in billions of rubles	1981-1985 in % of 1976-1980 (According to Agreements
Bulgaria	40.0	166.0
Hungary	34.2	162.9
Vietnam	7.0	350.0
GDR	59.8	182.6
Cuba	27.1	143.4
Mongolia	5.0	166.5
Romania	17.2	191.1
Czechoslovakia	41.4	171.4
Total	231.8[1]	211.8

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[1] Excluding Poland, as the work to sign a longterm trade agreement with that country still has not been completed.

The 26th CPSU Congress posed to the USSR Ministry of Internal Trade the task of taking an active part in promoting the socialist economic integration of the member countries of CEMA as well as in implementing longterm targeted programs for cooperation and bilateral longrange programs for specialization of production and co-production. This task, too, is being successfully carried out.

The new agreements provide for increasing the mutual deliveries of machinery and equipment at a faster rate than the growth rate of goods turnover as a whole. In 1985, compared with 1980, the exports of, for example, metal-cutting machine tools will increase by 36.7 percent; energy equipment, by 79.9 percent; electrical equipment, by 113 percent; hoisting and transporting equipment, by 37.8 percent; ball bearings, by 66.8 percent; and grain combine harvesters, by 40.7 percent. There will also occur increases in the deliveries of other types of machinery and equipment as well as of manufactured consumer goods.

Imports by the USSR from the member countries of CEMA will include a markedly increased volume of many types of machinery and equipment, primarily for the chemical, light, and mining sectors of industry, and for transport, as well as of a broad variety of manufactured consumer goods.

The longrange trade agreements for 1981-1985 laid a good foundation for the further vigorous growth of trade between the USSR and other member countries of CEMA. The huge scale of economic cooperation necessitates further refinements of its forms and methods, including greater exchange of experience in the planning and management of the national economies, streamlining of production, conservation of energy and raw and other materials, and the solution of other complex problems, especially those relating to the intensive development of cooperation in manufacturing, science, and technology. That cooperation should be elevated to a qualitatively new and higher level. This exactly is the aim of the course taken by the CPSU and other fraternal communist and workers' parties.

At present the decisive frontline of the competition against capitalism runs through the sphere of economics and economic policies. It can be boldly stated that the employees of foreign trade of the USSR and other fraternal countries are making a worthy contribution to the struggle for the victory of socialism, the victory of peace throughout the world.

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ELEVENTH FIVE-YEAR PLAN, CEMA DEVELOPMENT

Moscow AGITATOR in Russian No 2, Jan 82 pp 41-43

[Article by A. Nikol'skiy]

[Text] The 11th Five-Year Plan will become another milestone in the all-out development of mutually beneficial trade, economic and scientific-technical relations with socialist countries. It opens up new vistas for strengthening of cooperation with them and for the active participation of the USSR in economic integration and implementation of long-range special goal programs. This will ensure the rational and efficient utilization of the resources of the fraternal countries and a joint solution of the most important problems of their economies and strengthening of cooperation as a whole. "It is now impossible to imagine," Comrade L.I. Brezhnev noted at the 26th CPSU Congress, "the confident development of this or that socialist country and the successful solution by it of such problems, for example, as ensuring of energy resources and raw materials and the introduction of the latest achievements of science and technology without ties to other fraternal countries." At the November (1981) Plenum of the CPSU Central Committee and the sixth session of the 10th convocation of the USSR Supreme Soviet, there was again emphasized the primary importance of USSR cooperation with the countries of the socialist community.

An inseparable component of the plan for the development of the USSR national economy during the current five-year period, as in the five-year plans of other fraternal countries, is deepening of socialist economic integration. They include the Coordinated Plan of Multilateral Integrational Measures of the CEMA Countries for 1981-1985 adopted at the 35th session of the CEMA.

A special place in the cooperation of the fraternal socialist countries during the current and next five-year plan is occupied by two key problems: fuel-power and raw materials as well as modernization of a number of leading machine-building sectors on the basis of intensive production and scientific-technical cooperation.

Energy, fuel and raw materials constitute the chief problem. Its solution largely determines the rate of economic growth of the states of the community. To solve it, joint efforts are required.

for 1981-1985, CEMA member-countries have adopted a policy of closer and broader cooperation along the most important directions of power engineering. Growth of electrical power will take place to a significant degree through the realization of the tremendous program of development of atomic energy.

In the next 10-15 years, atomic electric power stations will become one of the most important sources of electrical and thermal energy in a number of European CEMA countries. In 1971, the capacity of the atomic electric power stations of the socialist community was 1.1 million kilowatts, but in 1980 it had grown to 17.8 million kilowatts. And by the end of the '80s, solely through the technical assistance of the Soviet Union and on the basis of cooperation with other CEMA members in the production of equipment, it is planned to build in the fraternal countries atomic electric power plants with a total capacity of 37 million kilowatts. This will constitute one-third of their present electric-power potential.

Through the joint efforts of Hungary, Poland, our country and Czechoslovakia, there will be built in the USSR the Khmel'nitskaya Atomic Electric Power Station with a capacity of 4 million kilowatts as well as a 750-kv electric-power transmission line from Khmel'nitskaya AES (USSR) to Rzeszow (Poland). In exchange, Hungary, Poland and Czechoslovakia will obtain annually 12 billion kilowatt-hours, or half of the electric power produced by this AES. Construction is also planned in the Soviet Union through the joint efforts of the interested countries of another electric-power station of the same capacity--the Yuzhno-Ukrainskaya AES and a 750-kv electric-power transmission line from the USSR to Romania and Bulgaria.

To successfully complete such a program, a solid technical base is being created: large-scale cooperation is being established in the production of equipment and instruments and new specialized capacities are being built. Interested CEMA member-countries concluded an agreement on multilateral specialization and cooperation in the production of equipment for atomic electric-power stations for the period 1981-1990. In terms of the scale and expenditures planned for the realization of this plan, it would not have its equal in the world. About 50 industrial enterprises and associations in eight countries (Bulgaria, Hungary, GDR, Poland, Romania, Czechoslovakia, USSR and Yugoslavia) will produce and provide each other with equipment of the highest technical-economic level. Half of the basic equipment for the atomic electric power stations will be fabricated by the USSR. Its chief producers will be: the Soviet Atommash Enterprise, the Czechoslovak Skoda Association, the Magdeburg Heavy Machine-Building Combine in the GDR and the Hungarian Khimimash Association. The new atomic electric power stations will make it possible to save on a yearly basis 70-75 million tons of conventional fuel in the CEMA countries (excluding the USSR), which roughly corresponds to putting into operation another Druzhba petroleum pipeline or four Soyuz gas pipelines. Moreover, significant savings will come from the elimination of the tremendous transportation hauls of fuel.

In accordance with the 11th Five-Year Plan, production of natural gas in Western Siberia will be increased. For transportation to the European part and for export, construction is planned of Urengoy-Uzhgorod gas pipeline together with interested CEMA member-countries.

Major problems will have to be solved by the Soviet Union and the fraternal socialist countries in the realization of long-range special goal programs of cooperation in the most important raw-material sectors of industry.

During the present five-year plan, through the joint efforts of interested socialist countries, construction in the Soviet Union will be continued of large nonferrous metallurgical facilities on the base of ores from the Kursk magnetic anomaly and other beds. By the end of the decade participating countries will be supplied with products from these enterprises, in particular high-quality iron-ore raw materials (iron-ore ingots and concentrate) which is the equivalent of 17 million tons of pure iron.

The Soviet Union in turn takes an active part in the erection of enterprises in other fraternal republics, receiving in exchange deficit raw materials for domestic industry. Thus during 1981-1985 construction will be continued in Cuba of two plants for the production of nickel with an annual capacity of 60,000 tons. After they go into operation, nickel production in Cuba will amount to 130,000 tons a year, or 25 percent of world production of it.

Soviet and Mongolian specialists are using capacities built during the last five-year plan at the Soviet-Mongolian Erdenet Ore Concentration Combine for the production of a copper-molybdenum concentrate (through yearly processing of 8 million tons of ore). It is planned to expand this largest in Asia enterprise. Major tasks of increasing production of fluorspar and other minerals are planned to be solved by workers of the international collective at the joint Mongolsovtsvetmet Operational Association.

Cooperation is expanding with the fraternal countries in the chemical industry. On the basis of effective and mutually beneficial specialization, the USSR will supply to CEMA countries ammonia, methanol, polyethylene, polyvinyl chloride resin, isoprene rubber. Our country will receive in exchange polyurethane, synthetic dyes, epoxy resins, chemical additives, chemical agents for protection of plans and auxiliary textile substances. Their production will grow in the fraternal socialist countries. A definite contribution will be made to the development of animal husbandry in CEMA member-countries and to the realization of the Soviet Union's complex food program. In the USSR, the construction is planned of the Mozyr' Plant for the Production of Nutrient Yeast from highly purified liquid paraffins from petroleum. Interested fraternal countries will participate in it. The plant will produce 300,000 tons of nutrient yeast, a part of which will be supplied to the countries participating in its construction.

The five-year plan of the USSR and the directions of development of the economy over the long term will contribute in the other fraternal countries to speeding up of scientific-technical progress--a decisive factor in conversion of the economy to an intensive route. The all-out introduction of progressive production processes and increased output of new machines and equipment, means of transport and instruments are planned. All this will assure maximum saving of labor, raw-material, fuel and energy resources.

The high road to mastery of the achievements of scientific-technical progress and higher efficiency of production and product quality in the '80s is through further expansion of specialization and cooperation of production and the introduction of their qualitatively new forms in socialist cooperation. This applies first of all to machine building.

Since the adoption of the Complex Program of Socialist Economic Integration in the '70s, CEMA countries have already achieved a great deal in this field; more than one-third of the aggregate of commodity turnover among us is realized on the basis of agreements on specialization and cooperation of production. Mutual deliveries of specialized products on the basis of these agreements in 1980 amounted to 25 billion rubles versus 330 million rubles in 1970.

The chief task set for machine building by the plan of multilateral integrational measures of the CEMA countries for 1981-1985 is to ensure the production of machines, equipment and instruments that in their technical parameters will be at a most modern world level.

Large-scale agreements are being made on specialization and cooperation of production of modern computing equipment. In accordance with these agreements, the volume of mutual deliveries of such equipment in the years of the current five-year plan will reach 15 billion rubles and grow roughly twofold compared to 1976-1980. Plans have been coordinated for the creation of robots and manipulators of modern design with high technical-economic parameters. In the middle of last year, an agreement was signed on a single unified electronic base for radioelectronic apparatus, communications and computing equipment. It is aimed at the maximum satisfaction of the requirements of the cooperating countries in electronic products. The employment of electronic computing equipment in the national economies of the CEMA countries for the operation of production processes and robots and manipulators will provide an exceptional large economic effect.

Striving for the most rational satisfaction of the growing requirements of the USSR and the other CEMA member-countries for engine fuel for the current five-year plan, the 35th meeting of the CEMA session on the proposal of the Soviet delegation acknowledged it necessary to expand cooperation in the production of synthetic liquid fuel. It is intended to speed up work on the use of available resources in this field and particularly to develop through united efforts the production of synthetic fuel on the basis of the coal of the Kansk-Achinsk deposit.

Expansion of specialization and cooperation of production during the current five-year plan will also serve as a significant contribution to the satisfaction of our country's requirements for electrotechnical and materials handling equipment and equipment for the food industry, the light, chemical, shipbuilding and other sectors.

Utilization of the advantages of international socialist division of labor will help the workers of the Soviet Union to ensure the successful realization of the social program and the solution of tasks of maximum satisfaction of the need for consumer goods and the production and increased deliveries of these goods. During the current five-year plan, shipments to the Soviet Union from CEMA countries of clothing, footwear, furniture and canned goods will comprise 15 percent of the funds of our retail trade. During 1981-1985 we shall receive from these countries consumer goods in excess of 40 billion rubles.

The diversity and tremendous scope of USSR cooperation with the fraternal countries are striking evidence of the advantages of socialist society. They make it possible for us to achieve higher efficiency of production, to speed up scientific-technical progress and to steadily raise the well-being of the people.

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USSR-CEMA TRADE IN 1981 EXAMINED

Moscow APN DAILY REVIEW in English 30 Mar 82 pp 1, 2

[Article: "USSR: Trade with CMEA Member-Countries"]

[Text]

Moscow, March 29. TASS economic correspondent Alexander Stroganov writes:

The socialist countries figure prominently in the Soviet Union's foreign economic links. According to USSR Ministry of Foreign Trade figures, the USSR's trade with them increased in 1981 by about 15 per cent, compared with 1980, and reached some 58,000 million roubles, or more than half of all Soviet foreign trade. The great scale and high rates of trade with other socialist countries are graphic evidence of the continued expansion and deepening of the international division of labour and of the intensification of integration in the economies of the socialist community countries.

The guidelines for the economic and social development of the USSR for 1981-1985 and for the period until 1990 provide for all-round development of mutually advantageous trade, economic, scientific and technical ties with the socialist countries.

It goes without saying that the USSR's closest economic co-operation is with other CMEA member-countries. Trade with them in 1981 exceeded 52,000 million roubles.

The GDR has been the USSR's major partner for many years and trade with it reached 10,700 million roubles. Czechoslovakia has moved into second place for the first time, with the volume of reciprocal trade approaching 8,500 million roubles. Poland is third with almost 8,200 million roubles, followed by Bulgaria (8,100 million roubles), Hungary (6,600 million roubles), Cuba, Rumania, Mongolia and Vietnam.

Through trade with CMEA member-countries the USSR meets considerable part of its requirements in industrial equipment, transport facilities and consumer goods. During the previous five-year plan period (1976-1980) the Soviet Union received 90,000 million roubles' worth of commodities from the CMEA countries and supplied them with 98,000 million roubles' worth of goods.

Machines and equipment are major Soviet exports to countries of the socialist community. Soviet equipment is installed in hundreds of major enterprises in leading industries of the fraternal countries, such as electric power (including atomic power), metals, chemicals, petrochemicals and engineering.

The Soviet Union is playing no small part in solving the fuel and raw materials problems within the CMEA. Eighty per cent of the fraternal countries' requirements in oil and timber, 75 per cent of their requirements in oil products, iron ore and cotton and more than 60 per cent of the coal requirements are met with imports from the Soviet Union.

Long-term target-oriented cooperation programmes drawn up until 1990 have become a powerful stimulus of Soviet trade with CMEA member-countries in the current five-year period. The Soviet Union has already concluded some 120 multilateral agreements aimed at implementation of these programmes. They are responsible, among other things, for the development of specialisation and cooperation in the manufacture of equipment for nuclear power stations, of heavy and custom-made machine tools, tractors and other engineering products.

(TASS, March 29. In full.)

CSO: 1812/81

CEMA: COOPERATION IN FIELD OF ENERGY, FUEL, RAW MATERIALS

Yerevan KOMMUNIST in Russian 8 Mar 82 p 3

[Report on progress of Long-Term Special Goal Program of Cooperation in Field of Energy, Fuel and Raw Materials by Vladimir Frolov of the Institute of Economics of the World Socialist System of the USSR Academy of Sciences]

> [Text] Vladimir Frolov, an associate of the Institute of Economics of the World Socialist System of the USSR Academy of Sciences, discusses the realization of the Long-Term Special Goal Program of Cooperation in the Field of Energy, Fuel and Raw Materials for the Period to 1990 adopted at the 32nd session of the CEMA in 1978.

The program includes 53 large-scale measures. Most of them are in process of fulfillment, some have already been completed. As pointed out at the 35th session of the CEMA that took place in Sofia in 1981, integrating ties play a certain role in providing the national economies of CEMA member-countries with petroleum and petroleum products, natural gas, iron ore, nonferrous metals, timber, pulp and asbestos. In 1980 the main part of their import needs was satisfied by the fraternal countries through mutual deliveries, including petroleum and iron ore--68-70 percent, anthracite coal and timber--94-95 percent.

A leading role in the realization of the special goal program is played by the Soviet Union. During the 10th Five-Year Plan alone, power capacities of 7.6 million kilowatts were erected in the socialist countries with the assistance of the USSR. They include atomic electric power stations totaling 2.2 million kilowatts. Enterprises were constructed for the production of 5.4 million tons of cast iron, 6.5 million tons of steel, for refining of 5 million tons of petroleum, mining of 10.2 million tons of coal and the production of 4.6 million tons of cement a year.

In addition to the electric-power installations that have already gone into operation, the program provides for the construction by 1990 of several AES with a total capacity in excess of 30 million kilowatts in a number of CEMA countries. This will make it possible to save each year more than 70 million tons of conventional fuel. Reactors for them will be supplied by the USSR and the CSSR; all the remaining equipment will come from other fraternal socialist countries.

For their contribution to the construction of the Khmel'nitskaya and Konstantinovskaya AES on our territory, each of which is to have a capacity of 4 million kilowatts, the involved countries will be receiving annually by 1990 an additional 20-22 billion kilowatts of electric power.

In all the countries with resources of low-caloric coal, construction of new and modernization of existing TES operating on brown coal or lignite is planned. In our country seven thermal electric power stations already exist, operating on fuel shale.

For the purpose of economy and efficient use of fuel and electric power, there has been developed in CEMA countries a technology of drying and preliminary heating of coal for coking. With its introduction the productivity of coke ovens will increase 30-40 percent.

High-tension electric-power lines will achieve significant economies of electric power. With the start of operation of the first 750 electric-power line from Vinnitsa (USSR) to Albertirsa (Hungary), there has been an increase not only of the capacity of the United Electric-Power Systems of the partner countries but also in the design effect from substitution of the load schedules. Following the start up of the electric-power transmission line from Khmel'nitskaya AES (USSR) to Rzeszow (Poland) and that from Konstantinovkaya AES (USSR) to Mecin (Romania) and Dobruja (Bulgaria), as well as a number of others, the intersystem effect will reach 4.6 million kilowatts by 1990.

Solar energy for heating water and dwellings is being used on an increasingly large scale in the fraternal countries. Practically all the CEMA countries have adopted state program for rational utilization of mineral energy resources that provide for a savings of 10 percent over the five-year period.

Realization of the Long-Term Special Goal Program will guarantee the provision of CEMA member-countries with fuel and power resources and raw materials. At the same time a foundation is being laid for the fulfillment of four other long-term programs--in the field of agriculture and the food industry, machine building, production of consumer goods and transport.

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CEMA-LDC COOPERATION CALLED 'STABILIZING'

Moscow APN DAILY REVIEW in English 16 Feb 82 pp 1, 2

[Article: "On Equal Basis"]

[Text]

The development of broad economic cooperation with the Soviet Union and the countries of the socialist community has a stabilising impact on the economies of African, Asian and Latin American countries, A. Kogachenko writes. Such cooperation, the paper underlines, solidifies their positions in the struggle against imperialism and neocolonialism, and promotes the establishment of really independent national economies. "The community of interests in the struggle for an end to discrimination and inequality in international economic relations serves as a foundation for joint actions of these countries in the international arena."

One of the main forms of cooperation between the CMEA countries and developing states, the paper points out, is foreign trade. "A steady development of the socialist economy which knows no crises creates a stable and broadening market, not given to fluctuations, for staple goods and export, making it possible to conclude long-term agreements. Such agreements are the best means for coordinating planned economies of the Soviet Union, other countries of the socialist community and the development programmes of the emergent states."

The development of trade relations between the two sides, the paper writes, is accompanied by a rapid expansion of other forms of cooperation, such as financial, technical and scientific assistance. "In the 1970's the total sum of credits granted by socialist countries to the developing states for these purposes went up by 110 per cent. At the present time 92 African, Asian, and Latin American states receive economic, scientific and technical assistance from the CMEA countries. This assistance embraces the building of 4,918 industrial facilities and other projects out of which 3,300 have already been completed and have gone into operation."

The CMEA countries, Pravda stresses, are expressing their readiness to continue expanding economic cooperation with the developing states, proceeding from concrete economically feasible proposals and with due regard for their own capabilities and those of their partners. "Proceeding from this premise, the Soviet Union has already concluded a number of interstate treaties with developing countries making provisions for the expansion of foreign trade with the emergent states as well as economic, scientific and technical assistance to them."

(Pravda, February 15. Summary. TASS)

Translated by TASS

CSO: 1812/81

USSR-CEMA TRADE

COMMUNIQUE ON SESSION ON ACTIVITIES OF CEMA AGENCIES

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 2, 1982 p 38

[Report: "Communique on the 102nd Session of the Executive Committee of the Council Mutual Economic Assistance" under the rubric "Activities of CEMA Agencies"]

[Text] On 19-21 January 1982 the 102nd Session of the Executive Committee of the Council for Economic Mutual Assistance was held in Moscow.

The session was attended by the representatives of countries at the Executive Committee and deputy heads of the governments of: Bulgaria, A. Lukanov; Hungary, J. Marjai; Vietnam, Huynh Tan Phat; the GDR, G. Weiss; Cuba, Minister-Chairman of the State Committee for Economic Cooperation of the Republic of Cuba, H. Rodriguez Llompart; Mongolia, M. Peljee; Poland, Z. Madej; Romania, N. Konstantin; the USSR, N. V. Talyzin; and the Czechoslovak Socialist Republic, R. Rohlicek.

Pursuant to the Agreement Between the CEMA and the Government of the Socialist Federal Republic of Yugoslavia, the Member of the Federal Executive Council, Representative of Yugoslavia to the CEMA, S. Grigorijevic, took part in the deliberations of the Executive Committee.

The Council Secretary N. V. Faddeyev participated in the session.

The session was chaired by the representative of Hungary to the Executive Committee J. Marjai.

The Executive Committee adopted a declaration concerning the attempts of the United States administration and other NATO countries to interfere in the internal affairs of the Polish People's Republic and apply economic and other restrictions as a means of intervention and political pressure. The text is published separately.

In pursuance of the goals ensuing from the decisions of the Council Session, the Executive Committee examined the progress made in coooperation with respect to various sub-sectors of machine building production that are of principal importance to the economic development of the fraternal countries.

Measures have been outlined with respect to the implementation of the General Agreement, signed during the 35th Session of the CEMA Assembly, for multilateral cooperation in developing a single unified range of electronic products, technological equipment, and materials for their production. A provision has been made for expediting the organization of the co-production of heavy-duty equipment for the development of mineral deposits and the construction of major pipelines, as well as of a variety of types of energy-saving equipment.

The CEMA agencies and sectoral international economic organizations were given concrete instructions as regards the organization of cooperation for joint development of machinery and equipment reducing the use of manual labor in the national economies during the current five-year plan period; this applies especially to programmed-control industrial robots; precision metalworking machine tools and foundry equipment; unified series of hydraulic, pneumatic, and electrical drives and other products of general use in the machine-building industry; and systems of machinery for comprehensive mechanization of agriculture and processing of farm produce.

Proceeding from the tasks--posed by the communist and workers' parties--of meeting more fully the foodstuff needs of the population of the CEMA member countries, the Executive Committee approved appropriate measures for cooperation in this field, in particular as regards providing the food industry with the necessary raw and other materials as well as with up-to-date high-productivity equipment.

The session assessed the work to conclude long-term trade agreements among the member countries of CEMA as well as with Yugoslavia for the current five-year period. Pursuant to these agreements, mutual goods turnover among these countries will have increased by 38 percent (in comparable prices) between 1980 and 1985. In this connection, deliveries of specialized output will increase at a particularly fast rate--by 48 percent in volume over the five-year period. The increase in mutual goods turnover will contribute to the further planned development of the economies of the CEMA member countries and to meeting the needs of their populations.

The Executive Committee approved the plan for its activities during 1982-1983, measures for CEMA's contacts with international economic and scientific-technical organizations in 1982, and the Council's budget for the current year.

Other aspects of economic and scientific-technical cooperation also were considered.

The session of the Executive Committee took place in an atmosphere of friendship and comradely mutual understanding.

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CSO: 1825/33-A

MULTILATERAL CEMA INTEGRATION

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 1, 1982 pp 15-18

[Article by Bratislav Jecminek, Miroslav Petras, and Geza Takacs, CEMA Secretariat: "Through Collective Effort (on the Coordinated Plan for Multilateral Integrative Measures for 1981-1985)" under the rubric: "The Integration Program in Action"]

[Text] In July 1981 the Coordinated 1981-1985 Plan for Multilateral Integrative Measures by CEMA Member Countries (SPMIM) was adopted at the 35th Session of the CEMA Assembly in Sofia.

This plan had been prepared on the basis of the experience gained in implementing the Coordinated Plan for 1976-1980. That plan became an organic part of the system for cooperation in planned activities under the Integration Program. It complemented and developed the traditional forms and methods of coordination of five-year national economic plans of the CEMA member countries and contributed to the solution, on the multilateral basis, of a number of large-scale problems, primarily in the fuel-and-energy and raw materials sectors.

Statistics reported by the member countries show that the principal measures included in the 1976-1980 Coordinated Plan have been successfully carried out.

The construction of a number of major integrated projects has been completed. The "Soyuz" Trunk Gas Pipeline has been put into operation--and already in 1980 it supplied an additional 15.5 billion cu m of natural gas from the USSR to the countries participating in its construction. The Kiyembayevskiy Mining and Concentrating Combine, with a capacity of 500,000 tons of asbestos annually, has been put into operation. Other integrated projects to have been completed and put into operation included facilities for mining 5.7 million tons of iron ore annually, producing 1.2 million tons of iron-ore concentrate annually, 6.0 million tons of oxidized pellets annually, 200,000 tons of ferromanaganese annually, and 180,000 tons of ferrosilicon annually. The first stage of the Ust'-Ilimsk Pulp and Paper Plant with a capacity of 250,000 tons of pulp annually has been put into operation and work is under way to complete its second stage. In 1979 the Vinnitsa (USSR)-Alberttisza (Hungary) 750 kv inter-grid electrical transmission line was opened.

Deliveries of discrete types of production envisaged in the Coordinated Plan to the interested countries were performed in accordance with the concluded contracts and were basically fulfilled.

In the field of scientific and technical cooperation a number of highly complex problems has been resolved with respect to the rational utilization of fuel and energy resources, the development of measures to protect metals against corrosion, the comprehensive utilization of pesticides, the development of effective protein-manufacturing techniques, etc.

A special feature of the Coordinated Plan for the 1981-1985 Five-Year Period consists in that, upon the proposal of the member countries, it incorporates highly important measures ensuing from long-range targeted cooperation programs for the period until 1990. The plan has been complemented with a new section providing for the basing of the intended measures on uniform technical standards. The plan reflects the obligations of the member countries ensuing from their agreements, for each year separately as well as for the entire five-year period. Thus, it demonstrates not only the expanding possibilities for international socialist division of labor but also further refinements in forms of cooperation within the framework of the CEMA. The plan consists of the following sections:

--Joint multilateral construction of facilities and additional capacities in fuel-and-energy, raw materials, and other sectors, with the resources of the concerned member countries;

--specialization of production and co-production, requiring considerable outlays by these countries;

--scientific and technical cooperation, which is particularly important to the economic development of the CEMA member countries;

--integrative measures intended to expedite the development and streamline the effectiveness of the national economy of the Socialist Republic of Vietnam, the Republic of Cuba, and the Mongolian People's Republic;

--drafting of uniform technical standards on which these measures are to be based.

The plan also reflects the participation of the International Investment Bank in the credit-financing of discrete measures.

The first section of the plan includes, on the basis of an agreement among Hungary, Poland, Czechoslovakia, and the USSR, the construction of the Khmel'nitskaya Nuclear Power Station, having a capacity of 4 million kw, on the territory of the USSR, with the object of increeasing the supply of electrical power to the concerned CEMA member countries. The obligations of the countries (other than the USSR) as regards funding the estimated cost of the project (in millions of conversion rubles) will amount to about 44 percent of all outlays during 1981-1985.

The first section also provides for cooperation among Hungary, the GDR, Poland, Czechoslovakia, and the USSR in building and operating a 750-kv electrical transmission line between the Khmel'nitskaya Nuclear Power Plant and Rzeszow (Poland) and the "Rzeszow" substation.

In 1984 electrical power generated by the Khmel'nitskaya Nuclear Power Plant will begin to be supplied to Hungary, Poland, and Czechoslovakia, for a period of 20 years. As of 1985 annual exports will amount to 6.6 billion kwh.

The first section of the Coordinated Plan also provides for opening a plant for the production of nutrient yeast from highly purified liquid petroleum paraffins at Mozyr' (USSR) with an annual capacity of 300,000 tons. This project is being built with the participation of the GDR, Cuba, Poland, and Czechoslovakia. Plans exist to begin deliveries in 1984.

The Coordinated Plan includes for the first time a complex whole of measures pertaining to transport. The task is to assure prompt and effective international conveyance of freight and passengers among the member countries of CEMA.

The further consolidation of integrative processes within the framework of CEMA and the attendant steady growth of mutual goods turnover require a coordinated development of all means of transportation. In view of this, the 1981-1985 Coordinated Plan provides for the construction of facilities and additional capacities on the basis of agreements concluded among the concerned countries.

Thus, in the field of railroad transport, 14 international East-West routes and 4 North-South lines will be modernized. This will serve to increase to 4,000-4,800 tons the freight capacity of freight trains on the latitudinal trunk routes and to 3,000-4,000 the capacity of these trains on the meridional routes, as well as to increase to 100 km/hr the maximum speeds of freight trains, and to 120-140 km/hr the maximum speeds of passenger trains.

In the field of motor transport, the motor roads linking the capitals of the USSR, Poland, and the GDR and major population centers in the USSR, Romania, and Bulgaria will begin to be modernized, with similar work to be done on the Rostok-Constanza and Gdansk-Krajova motor roads with branches leading to Constanza and Sofia.

As known, the communist and workers' parties of the fraternal countries posed the task of turning the 1980s into a period of intensive cooperation in production, science, and technology. In this connection, the section of the Coordinated Plan providing for the expansion and deepening of international specialization and coproduction acquires a special importance.

On the basis of the coordination of national-economic plans and the conclusion of multilateral and bilateral agreements, the plan includes 13 measures ensuing from long-range targeted cooperation programs.

Many of these measures are a proof of the stable, mutually advantageous, and highly effective production bonds within the framework of CEMA. The service life of these agreements has been extended for the second five-year period. Here, allowance was made for proposals to broaden the range of specialized production, primarily through the production of new and up-to-date machinery and equipment and the discontinuation of the production of old machinery and equipment.

Cooperation in computer technology will be markedly expanded. Under the 1981-1985 agreement the volume of mutual deliveries will exceed 15 billion rubles. It is worth noting the high technical level of such products manufactured on the basis of a far-reaching co-production. The share of specialized products in exports and imports will exceed 80 percent.

The 1981-1985 Coordinated Plan also provides for cooperation in producing equipment for nuclear power plants. It is closely linked to the program for building power plants of this type on the territory of the concerned CEMA member countries with the technical assistance of the Soviet Union.

The preparation of the corresponding agreement involved determining the conditions for the multilateral division of labor and integration of efforts as well as the nomenclature and volumes of exports and imports by every participating country for each year and for the entire five-year periods 1981-1985 and 1986-1990.

An active part in preparing the agrement was taken by the Interatomenergo International Economic Association as well as by the appropriate ministries, departments, organizations, enterprises, and companies of the participating countries. Equipment for nuclear power stations is currently being produced--with the technical assistance of the USSR--by about 50 large associations and enterprises of the concerned countries, which will make it possible to launch the necessary types of production on a unified technical basis. In this connection, special attention will be devoted to assuring the highest quality of equipment, guaranteeing the designed technical and economic indicators, radiation and nuclear safety, sanitary shielding of the nuclear plant facilities, etc.

During 1981-1985 nuclear power plants will be chiefly built on the basis of reactors of the VVER-440 [water-cooled, water-moderated] types, and during 1986-1990, on the basis of reactors of the VVER-1000 types [i.e. 440- and 1000-MW reactor units].

The Coordinated Plan also provides for a fuller satisfaction of the needs of the member countries for one-of-a-kind equipment to be used in open-strip mining. Of major importance in this connection is the extension of the agreement for specialization and co-production in this respect. The agreement covers 22 type-sizes of rotary excavators, 17 type sizes of dump-shapers, 6 type-sizes of rotary multi-bucket excavators, and 9 type-sizes of single-bucket and dragline excavators. The nomenclature of mining equipment includes various new types of equipment with improved performance.

The Coordinated Plan includes measures relating to other sectors of the economy as well. The number of specialized types of tractors and agricultural machinery, for example, was broadened from 131 to 265. The agreement for multilateral international specialized production and co-production of metal-cutting machine tools (including those with programmed control devices), automatic production lines, and special-purpose, heavy, and one-of-a-kind machine tools specifies 784 names of which more than 75 percent will be built in from one to three member countries.

A special feature of the 1981-1985 Coordinated Plan is the broad specialized production and co-production of standardized elements and components. All the aforementioned agreements incorporated in the plan provide for co-production deliveries of components of specialized types of equipment. As experience shows, the production of such components (80 makes) by Bulgaria, Hungary, Poland, and Czechoslovakia for the passenger car manufactured by the Volga Automobile Plant produces substantial economic effects.

The Coordinated Plan also includes measures for the division of labor and integration of efforts in the production of energy-intensive and less energy-intensive chemicals, with the latter being supplied to compensate for energy-intensive chemicals on the basis of a general agreement among Bulgaria, Hungary, the GDR, Cuba, Poland, Romania, the USSR, and Czechoslovakia signed in 1979. Under that agreement, the USSR exports to the participating countries large quantities of energy-intensive bulk chemicals derived from petrochemical raw materials (ammonia, methanol, polyethylene, PVC, etc.) and, in return, is supplied with small quantities of more refined chemicals (dyestuffs and semifinished products, pesticides, polyurethanes and their compounds, etc.).

The fulfillment of this agreement will contribute to supplying the member countries with the necessary variety of chemical products, including plastics. Mutual deliveries during 1981-1985 will exceed 1 billion conversion rubles.

On the basis of the concluded agreements, the Coordinated Plan also includes a number of other measures to integrate specialized production and co-production. They concern oilwell-drilling and other oil- and gas-field equipment, facilities for the Unified Containerized Transport System (YeKTS), pendulum bearings within the framework of the Organization for Cooperation Within the Bearing Industry (OSPP), and concentration equipment for solid types of fuel, ferrous and nonferrous metal ores, and mined chemical raw materials.

A major role in increasing the effectiveness of socialist production is played by measures envisaged in the Coordinated Plan with respect to the development of scientific-technical cooperation. Here the most important problem is to develop the results of R&D work and apply them in practice.

A broad range of measures is being planned, for example, to develop a magnetohydrodynamic (MHD) energy converter for use on electric power stations fired with gaseous, liquid, and solid fuels. The utilization of a MHD energy converter would increase the efficiency of thermoelectric power stations to 50-60 percent. This will result in savings of 20-25 percent of organic fuel compared with the fuel consumption indicators reached by the best modern thermoelectric power stations.

Proposals are being drafted for an efficient utilization of gaseous fuels such as would assure their conservation while at the same time preventing environmental pollution. Research is under way to refine the existing technological processes and increase the technological level of equipment for the in-depth refining of crude petroleum. A more extensive refining of crude petroleum in existing and newly built facilities will make it possible to increase the yield of lighter petroleum fractions by 10 million tons in 1985.

The inclusion of research into increasing the production of animal husbandry products on an industrial basis in the Coordinated Plan is intended to develop animal-husbandry complexes and machinery and equipment systems assuring a higher livestock productivity and markedly lower feed outlays.

The section of the plan providing for multilateral integrative measures to expedite the development and streamline the effectiveness of the economies of Vietnam, Cuba, and Mongolia provides for putting into operation capacities for the production of nickel, intensifying geologic prospecting operations and the industrialized processing of citrus fruits, assuring a comprehensive development of sugar production in Cuba, intensifying the conduct of geologic prospecting on the territory of the Mongolian People's Republic, introducing cooperation in the colonization of virgin lands in that country through the establishment of new state farms to assure the storing-up of fodder reserves in the northern Gobi zone, etc.

A new feature of the 1981-1985 Coordinated Plan is, as we noted before, the basing of its measures on a unified set of technical standards. This concerns the development of 24 complex topics relating to standardization. These apply to the production of power equipment, fittings, instruments, and materials for nuclear power plants; chemical and biochemical feed additives; machinery and equipment for the construction and maintenance of motor roads; petroleum and gas extracting equipment, etc.

The importance of the integrative measures envisaged in the Coordinated Plan predetermines their role in the domestic systems for economic planning and management of the member countries of CEMA. In most countries these measures have been included in special integrative sections of state plans for economic and social development. By the same token, the necessary premises for their successful implementation are provided.

In Bulgaria, for example, the state plan contains a special section on integration links. Along with tasks relating to the corresponding integrative measures, this section includes the obligations of the Bulgarian side ensuing from the Coordinated Plan and the DTsPS.

In Hungary, the tasks envisaged in the SPMIM are an organic part of the state plan and of the planning system as a whole. They are included in the five-year and yearly national-economic plans on the basis of special methodological directives.

In the GDR measures for socialist economic integration and the funds allotted for their implementation represent a special section of the state plan.

In the Republic of Cuba integrative measures are specified in plans for foreign trade and capital investments, as well as in foreign-exchange and balance-sheet plans.

In the Mongolian People's Republic these measures are included in the state-wide plan. The principal tasks relating to the integrative measures are assigned to the appropriate ministries, which make them more specific and include them in the development plans of discrete sectors as their organic part.

In Poland, that country's plan for socio-economic development contains a section reflecting economic integration with the other member countries of CEMA and specifying the pertinent tasks and the ways of implementing them.

In Romania international economic co-production is the subject of a separate chapter of the unified national plan for socio-economic development. It is linked to the other chapters and encompasses all aspects of economic cooperation and co-production with the other countries, on devoting a special place to the member countries of CEMA. The implementation of the measures it envisages is linked to the obligations adopted in the agreements and contracts concluded by the competent agencies and organizations.

A plan of measures to develop the socialist economic integration of the USSR with the other member countries of CEMA is being drafted by the ministries and departments of the Soviet Union on the basis of the concluded multilateral and bilateral agreements, long-range trade agreements, annual goods-turnover protocols, agreements for scientific and technical cooperation and for standardization in the promising directions of activity of the CEMA's agencies, and agreements providing for the implementation of long-range targeted cooperation programs.

In Czechoslovakia, all the measures for cooperation within the framework of CEMA are included in a special chapter of the state plan, entitled "Socialist Economic Integration." That chapter specifies the appropriate tasks, including those envisaged by the Coordinated Plan, as regards the implementation of long-range targeted cooperation programs.

At present, in accordance with the resolution of the 35th Session of the CEMA's Committee Council Assembly concerning cooperation in the domain of plan activities as well as in science and technology, measures are planned to further refine the 1986-1990 Coordinated Plan. The task is to reflect in that plan the interconnected measures for cooperation in science, technology, and project-design work; in the development of new and expansion of existing capacities for the manufacturing of specialized and co-produced products; in providing the necessary machinery, equipment, and materials for this purpose; and in joint acquisitions of licenses by the CEMA countries.

In the current Five-Year Plan period the member countries of CEMA face important tasks in the field of economic construction. The accomplishment of these tasks will be assisted by the implementation of the 1981-1985 Coordinated Plan for Multilateral Integrative Measures.

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USSR-CEMA TRADE

BOOK ON SOCIALIST ECONOMIC INTEGRATION REVIEWED

Moscow PLANOVOYE KHOZYAYSTVO in Russian No 9, Sep 81 pp 121-123

[Review by V. Grinev of book "Upravleniye Vneshneekonomicheskoy Deyatel'nost'yu Sotsialisticheskikh Stran" [The Management of the Foreign Economic Activities of the Socialist Countries] Edited by Corresponding Member of the USSR Academy of Sciences O. P. Bogomolov, "Nauka," Moscow, 1979, 320 pp]

[Text] The work by the collective of authors from the Institute of the Economics of the World Socialist System of the USSR Academy of Sciences examines the questions connected with the creation of the organizational and economic forms for the construction of foreign economic relations aimed at ensuring the comprehensive inclusion of the economies of each of the socialist countries in world economic relations and the optimal conditions for the participation by each of them in the international socialist division of labor.

The monograph contains a generalization of the experience which has been accumulated in the USSR and the other CEMA countries in improving the full aggregate of economic work which is in one way or another connected with the participation of a country in international economic relations. Some of the theoretical, methodological, and practical problems of improving the system of the management of foreign economic relations as a whole are studied, and both the common features of the national systems of managing foreign economic relations and their specific characteristics which arise from the concrete conditions of each country are revealed.

It is emphasized in the book that under the conditions of socialist economic integration the level of the management of foreign economic activities to a large extent determines the efficiency of social production, especially for countries in which the proportion of export output is high (for example, in the Hungarian People's Republic, the relationship of exports to national income has reached 54 percent).

The structure of the book corresponds entirely to the tasks which the authors have set for themselves. The monograph consists of two mutually supplementary parts. In the first, the general problems of managing the foreign economic activities of the socialist countries at the current stage are treated, and in the second, the concrete characteristics of the management systems in each of the CEMA countries are described.

The diversity of the foreign economic relations of the CEMA countries manifests itself basically in foreign trade exchange. An analysis performed in the book of the growth rates of foreign trade turnover and national income over a number of five-year periods testifies to the outstripping development of foreign trade exchange and to the increasingly wide inclusion of the socialist countries in the international division of labor and, consequently, the constantly growing share of the social product which is designated for international exchange. (p 12)

This process is accompanied by the reorganization, mutual adaptation, and optimization of branch structures in the CEMA countries and is at the basis of stable production specialization and cooperation.

An important feature of socialist economic integration is the thorough development of cooperation in the fields of production, science and technology, and capital construction. The authors correctly observe that from a predominant form of relations between countries trade is increasingly turning into a derivative form which is subordinate with regard to production relations. All of this is making it necessary to improve the planned management of the process of cooperation and of coordinated changes in the mechanism of managing foreign economic activity in the individual countries. (pp 26-27) In particular, this is of great importance for the USSR which plays a leading role in the economic cooperation system of the CEMA countries and which accounts for 37 percent of the overall commodity exchange between them.

Examining the mechanism of socialist economic management on the international arena, the authors draw the conclusion that with respect to its most important features it cannot differ from the intra-economic mechanism, since in both cases we are dealing with categories which service, albeit in different spheres, the movement of socialist production relations. (p 49) The differences which do exist between these mechanisms have an objective character and will continue to exist as long as the state organization of economic life continues. However, the smaller that the divergences between the national economic systems of the individual countries become, the smaller will they be. (p 51) This determines, as is correctly emphasized in the book, the chief thrust of the measures which are being taken in the countries in order to improve the management systems for foreign economic activities, to develop direct relations between countries on all levels of economic management, to ensure the realization of agreements which are made during the course of cooperation in the field of joint planning activity, and to achieve an increasing correspondence between the national economic mechanisms and the needs of socialist economic integration.

The authors of the book provide substantiated proofs of the objective character of the process of the coming together of the national systems for the management of the foreign economic activities of the CEMA countries. It is noted that in this complex and exceptionally multi-level process it is useful to single out the possible concrete areas whose coming together would ensure a maximum effect. The planned character of cooperation advances to the forefront the task of bringing the methods of centralized planning in the direction of the foreign economic activities of the countries closer together. (p 72) This thesis is confirmed by a study of the basic principles of the planning of foreign economic relations and, moreover, attention is called to the necessity for achieving a greater closeness between the methods of determining the effectiveness of the planning decisions which are taken in the area of the development and deepening of economic integration as the basis which determines the degree of the country's interests and their participation in integration measures. (p 90)

A special place is given to the organizational forms of the economic relationships of industry and foreign trade, and also to the cost accounting levers of managing foreign economic activities.

Singling out the state monopoly of foreign economic relations as the fundamental principle of their organization, management, and planning, the authors emphasize that the forms of its realization have to be perfected as domestic and foreign conditions change. (p 99) In the process of perfecting them the decisive element is an increased role for the production sphere in foreign economic relations, which manifests itself in an expansion of such forms of cooperation as the joint solution of fuel and raw materials problems by means of the unification of the material, financial, and labor resources of the interested countries.

However, in our opinion, in analyzing the organizational-economic issues of the management of foreign economic activities the authors should have pointed to the still insufficient development of international cooperation as the basic way for increasing the efficiency of social production in the countries of the socialist commonwealth. This would have promoted a fuller demonstration of the processes occurring in this sphere.

As the output and services which are intended for exchange grow in volume and in complexity of types, the foreign economic relations between the production and the foreign economic spheres become deeper and broader. The authors regard the unification of the functions of these spheres to be one of the basic conditions for increasing the efficiency of foreign economic exchange. (p 106) It will entail a reorganization in the sphere of production and the direct and flexible participation by industry in foreign economic activity. However, this kind of tendency is by no means realized in a simple way, but depends upon the influence of foreign economic relations on the development of the economy of the concrete country. (p 107) Tracing the concrete forms of the realization of this tendency on the basis of the experience of the countries, the authors single out the development of cost accounting in foreign economic activities as the basic direction. In examining the issues connected with cost accounting relations between the enterprises of industry and of foreign trade, they draw a separating line between such relations within the country and relations between sovereign states. It is emphasized that cost accounting in the foreign economic sphere has to be organized on the basis of the principle of state monopoly and act as one of the means of realizing it. (p 124) Of course, the concrete forms of organizing it cannot be identical in the different countries and in individual periods of the development of their economies.

The study performed here of the basic principles of the organization of economic relations between industry and foreign trade in the European CEMA countries is, in our view, of practical significance for the USSR. Especially important is a paragraph in the fifth chapter in which an analysis is made of certain results of the development of cost accounting relations between industry and foreign trade. It is noted in it that the calculation of the results of export and import relations directly in the financial results of production organizations which is performed in most of the European CEMA countries has a diverse influence on results (p 138), which is explained by the unequal economic essence of this calculation. In particular, it is emphasized that the application of cost accounting to the sphere of imports presupposes the right of production enterprises to choose their suppliers and the possibility of freely substituting domestic products for import output. If such conditions are absent, a direct recalculation into national currency of the foreign trade prices for imported output loses to a large extent its economic meaning and, in essence, cannot exercise an optimal influence on economic development. (p 139)

It should be added that there can be an exception from this generally correct proposition in the case of production cooperation under which the consumer and the producer are united in a single economic whole and the differences between domestic and foreign evaluations in exports and imports can be equalized on condition that there is a balance in the cost of mutual deliveries.

The authors' conclusions which were drawn on the basis of an analysis of some of the results of the development of cost accounting in the foreign economic sphere in the European CEMA countries are of importance for our country where the levels and correlations of domestic wholesale prices differ from foreign trade prices and there exists a definite diversity of directions in the criteria for evaluating the results of economic activity in industry and in foreign trade associations.

At the same time, the experience connected with material incentives for the achievement of the best results in foreign economic activity from the point of view of the economy which has been accumulated in the countries is not summarized in the book. The question of stimulating the development of production specialization and, especially, of production cooperation between the CEMA countries is not examined.

Two chapters (Chapters VI and VII) are devoted to a detailed examination of the management of scientific and technical cooperation and of the interconnections between international economic organizations and national systems for managing foreign economic activity. However, the authors, unfortunately, do not give any attention to their role in ensuring the continuous functioning of the chain from scientific research to production which to a large extent determines the rates of scientific and technological progress in the commonwealth of CEMA countries.

The book generalizes the experience of the socialist countries, and shows the common directions and basic tendencies of the development of the mechanism of managing these relations, as a rule, on the basis of materials from the middle 1970's. Individual shortcomings do not lower the generally high level of the work.

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RESULTS OF 16TH SESSION OF STANDING JOINT USSR-FRENCH COMMISSION

Moscow FOREIGN TRADE in English No 3, Mar 82 pp 26-29

[Article by Leonid Zvonkov]

[Text] The 16th Session of the Standing Joint Soviet-French Commission chaired by Nikolai Patolichev, USSR Minister of Foreign Trade, was held in Moscow on December 14 to 15, 1981.

The French delegation was led by M. Joberd, State Minister, Minister for Foreign Trade.

The 16th Session gave its main attention to questions connected with the implementation of the Agreement on Economic Cooperation between the USSR and France for the Period 1980-1985, the Long-Term Programme for the Extension of Economic, Industrial and Technical Cooperation for the Period 1980-1990, the Measures on its implementation for 1980-1982, and other intergovernmental agreements, documents and accords relating to the development of cooperation in the economy, industry, science and engineering.

The sides confirmed their intention to strictly implement the clauses of the jointly signed documents and the accords reached in the spirit of the principles of cooperation that have been established over the past 15 years.

As is known the Standing Joint Soviet-French Commission, called the Big Commission for short, was set up in accordance with the Soviet-French Declaration of June 30, 1966, signed during the visit to the USSR of Charles de Gaulle, the then French President. It is a representative body dealing with practical questions of the implementation of intergovernmental agreements and programmes of cooperation in the economy, industry, science and engineering, and seeks additional possibilities for expanding cooperation in these spheres of activity.

The decisions made by the Commission promoted the development of trade, economic, scientific and technical cooperation, gave an impetus to the growth of trade between the USSR and France, and helped the consolidation and development of the legal foundations of Soviet-French cooperation.

During the 16th Session the Commission positively appraised the present position and prospects for the development of trade and economic cooperation between the USSR and France.

The sides noted that the Soviet-French trade turnover in 1980 had considerably grown as compared with 1979 and exceeded 3,700 million rubles. According to preliminary estimates, the volume of trade in 1981 may reach 4,000 million rubles. Thus, the rates of growth of the trade turnover attained in 1980-1981 ensure the fulfilment of the agreement between the sides on taking necessary measures to promote further considerable growth of trade turnover on a balanced basis during 1980-1985 and on maintaining average rates of growth of Soviet-French trade at the level reached during 1975-1979. The Commission pointed out, however, that in recent years Soviet exports to France considerably exceeded French exports to the USSR and expressed the desire that trade between the two countries develop on a more balanced basis.

With a view to obtaining a more balanced development of trade the sides agreed to study the possibility of expanding deliveries of goods from France to the the USSR, including agricultural produce and foodstuffs.

When considering the Long-Term Programme for the Extension of Economic, Industrial and Technical Cooperation for 1980-1990 and Measures on Its Implementation for 1980-1982 the Commission noted that in accordance with these documents big contracts were signed in 1981 on deliveries to the USSR of equipment, including some on a compensation basis. In particular, contracts were signed on deliveries of automated control and communications systems as well as equipment for gas compressor stations to serve the new Urengoi-Uzhgorod pipeline, equipment for the production of bazudin, a plant protection chemical, equipment for reconstruction of the Volga motor works and for the production of electric insulation varnishes, resins and other polymers.

Talks are nearing completion at present between Soviet foreign trade organizations and French firms on the further expansion of cooperation in the gas industry and on deliveries of equipment for automated brick production and superphosphoric acid production. Talks are also being conducted on deliveries of equipment for the deep refining of oil, production of crystalline silicon, a plant for recovery of carbon dioxide, production of catalysts, drill pipes and certain other equipment. In addition, talks are continuing on cooperation in prospecting for and extraction of oil from the Barents Sea shelf and from areas with complicated conditions in the continent as well as on cooperation in the reconstruction of the Lenin Komsomol motor works and production of a new car model at this plant.

The Commission stressed that there are possibilities for cooperation in modernizing industrial enterprises and the production and processing of agricultural produce. The French Agroprom exhibition, planned to be held in Moscow in October 1982, is intended to play a great part in developing this cooperation. According to the Commission the holding of this exhibition should assist the respective joint working groups (for tractor and agricultural machinery production, food industry, agriculture, and others) to intensify their activities.

In pointing out the great importance of the Measures taken for 1980-1982 on the implementation of the Long-Term Programme as regards the development of economic cooperation between the two countries the Commission considered it advisable to draft a similar document for a new three-year period (1983-1985) and instructed the Coordinating Group on Economic and Industrial Cooperation to prepare a draft for the consideration at the 17th Session of the Commission.

Having heard a report on the activities of the working group on machinery and equipment the Commission noted that there were possibilities for further increasing exports to France of certain types of Soviet machinery and equipment and recommended that the working group continue its work on implementing the respective propositions of the Long-term Programme and measures for 1980-1982 on its implementation.

Soviet-French power engineering cooperation was discussed. Pointing out the considerable progress achieved in the talks on the participation of French firms in the construction of the new Urengoi-Uzhgorod pipeline in the USSR and on deliveries to France of additional amounts of natural gas the sides expressed mutual interest in concluding these talks as soon as possible and their intention to as fully as possible contribute to the implementation of this project.

It was also pointed out that there are favourable prospects for the further development of cooperation in the gas industry, in particular, on supplying equipment for exploiting the Astrakhan gas condensate deposit.

The Commission noted the intensive activities of the Franco-Soviet Chamber of Commerce on furthering trade, economic, scientific and technical ties between the USSR and France and business contacts between organizations and firms of both countries, and recommended that it develop ties with working groups dealing with individual industrial branches and continue work on enlisting Soviet and French organizations and firms in the Chamber.

The state of scientific and technical cooperation between the USSR and France, the implementation of the Programme for the Extension of Cooperation for a Ten-Year Period, of intergovernmental agreements on scientific, technical, industrial and economic cooperation in individual fields as well as the activities of the working groups dealing with industrial branches were discussed.

Exchanges of specialists were further increased in the field of basic research, interesting joint work was carried out in astronomy, mathematics, crystallography, semiconductor physics, geology and seismology.

Intergovernmental agreements on cooperation in medicine, agriculture, chemistry, power engineering, and civil aviation continued their successful implementation.

Having discussed the activities of separate industrial working groups the Commission stated that most of them in 1981 worked mainly at the tasks they were entrusted with, and recommended that some of these working groups, especially in the field of scientific and technical cooperation, pay more attention to questions of industrial and economic cooperation.

In connection with the expiry of the Programme for the Extension of Cooperation in Science and Engineering for the Ten-Year Period the Commission recommended that meetings between competent representatives of the sides be organized as soon as possible for working out a similar long-term programme for a period to end in 1990.

The implementation of agreements on cooperation in nuclear energy, exploration and utilization of space for peaceful purposes, and colour television was considered.

Cooperation in peaceful uses of nuclear energy was very effectively carried out in such areas as fast-neutron reactors, water-cooled water-moderated reactors, and high-energy physics.

The successful development of cooperation was noted with satisfaction in the exploration and utilization of space for peaceful purposes, in particular, the successful preparation of two French cosmonauts for participation in the joint Soviet-French space flight planned for mid-1982.

The Commission considered and approved the results of Soviet-French cooperation in colour television.

In summing up the results of the Session Nikolai Patolichev, USSR Minister of Foreign Trade, said that the discussion of the items on the agenda and the talks between the heads of the delegations had cleared many obscure questions and made it possible to advance the talks on important cooperation projects and showed that the sides would be doing everything necessary to develop cooperation still further in this way manifesting the required flexibility and realism.

He stressed that the successful holding of the 16th Session of the Standing Joint Soviet-French Commission is important for more than strengthening mutually advantageous trade, economic, scientific and technical ties between both countries. In the present complicated international situation the expansion of cooperation in these fields plays an ever greater role in assisting the relaxation of international tensions, in improving relations between nations and strengthening peace.

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TRADE WITH INDUSTRIALIZED COUNTRIES

BRITISH DILEMMA ON TRADE WITH USSR UNDERLINED

Moscow IZVESTIYA in Russian 25 Mar 82 p 4

[Article by V. Skosyrev: "A Clear Signal"]

[Text] At night the "Centerpoint" Tower, one of the highest in the capital of England, blinks its lights on and off signalling danger to airplanes flying over London. The signals which come from this building are also followed attentively, although for other reasons, in Whitehall, in the City, and in the leading political parties. For "Centerpoint" is the home of the Confederation of British Industry--the chief headquarters of England's industrial corporations. And their word, it is clear, possesses a solid weight.

This spring the Confederation was engaged with a problem which in the past did not often come into the focus of its attention. This was the problem of the prospects of Anglo-Soviet trade. It was discussed at a seminar to which such "leviathans" of big capital as "Dunlop," IKI, "Kodak," "Rolls Royce," "Shell," and "Lloyd's Bank" had sent their representatives.

England's commercial relations with the USSR have deep roots. At the Confederation I had occasion to converse with the leaders of companies which had begun export-import operations with Russia as far back as the dawn of our century and which are successfully continuing them to this day. There is in operation in London a British-Soviet Chamber of Commerce, the Moscow People's Bank, and other organizations which contribute to the development of mutual exchange. A useful role in this respect is played by the permanent inter-governmental Soviet-English commission on scientific and technical and trade and economic cooperation.

Nevertheless, the seminar participants expressed dissatisfaction with the present state of trade with the USSR. In their opinion, two tendencies are disturbing: first, British capital lags behind the companies of the Federal Republic of Germany, France, and Japan in the concrete struggle for Soviet orders; and, secondly, the restrictive measures of an anti-Soviet character which have been proclaimed by the NATO bloc may aggravate this lagging even more. The mood of the assemblage was clearly expressed by the representative of the East European Trade Council A. Khor.

--The Soviet Union,--he said,--is a big country rich in natural resources. During the current Soviet five-year plan the emphasis is being placed on the development of metallurgy and chemistry, which is creating broad possibilities for English companies. But they are being far from fully utilized. At one time we were the USSR's chief trade partner in the West, but now we have turned out to be in sixth or seventh place. The initiative of the Confederation which called the seminar in order to discuss how to correct the situation is extremely timely. Unfortunately, the sanctions against trade with the USSR which it is being attempted to impose upon us can in no way be called timely. They contradict the interests of British business circles.--A. Khor concluded.

It is not difficult to guess what exactly the speaker had in mind. For in recent weeks open calls are being made on the other side of the ocean to turn trade between the East and the West into a lever of pressure on the socialist countries. Washington's present policy is equivalent to a strategy of economic war. The United States Deputy Secretary of State J. Buckley has visited a number of West European capitals, including London. He demanded that the members of the "Common Market" which recently announced a restriction on imports of certain industrial products from the USSR undertake a new discriminatory measure: to make the terms for granting export credit to the socialist countries more rigid.

Buckley's mission, as the TIMES wrote, had no success either in Bonn, or in Paris, or in London, but the United States has not given up its importunities. This is giving rise to apprehension among British businessmen. As the director of the British-Soviet Chamber of Commerce R. Scrivener told me, given England's present economic difficulties, it simply could not allow itself to miss the opportunities which are opened up by trade with the USSR.

As a rule resolutions are not adopted at the seminars. However, in summarizing the discussion, R. French, a department director in the IKI concern, called upon his colleagues to seek to get favorable credit terms from Whitehall for exports to the USSR and to increase the number of permanent representatives from English companies in Moscow. This, in his opinion, will promote the growth of mutual exchange.

The signal from the "Centerpoint" Tower has sounded quite clearly: Britain's big business rejects Washington's strategy of economic war. It is expressing itself in favor of expanding peaceful and mutually advantageous cooperation with the Soviet Union.

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CHANGES ON WORLD EQUIPMENT MARKETS, WAYS OF SOVIET MACHINERY EXPORT DEVELOPMENT

Moscow FOREIGN TRADE in English No 3, Mar 82 pp 23-33

[Article by Dmitri Petrov, Cand. Sc. (Econ.), Head of the Main Department for Industrial Equipment Exports, USSR Foreign Trade Ministry, and Yuri Savinov, Cand. Sc. (Econ.), All-Union Market Research Institute]

[Text] Changes in the structure of the world economy have repercussions in the socialist economy as well. However, as distinct from the capitalist system, where, as a result of the dominant position of the monopolies, very often no timely preparations are made for production rationalization and where the objective laws of economic development are manifested through the spontaneous correlation of supply and demand, in socialist society the planning role of the state enables it to avoid catastrophic distortions in the economy causing tangible losses of national wealth and having extremely adverse effects on the economic positions of working people.

The economic strategy of the CPSU assures wide use of the latest scientific and technical advancements for accomplishing the socio-economic tasks facing Soviet society. Scientific and technical progress today is not only the motive force of economic development, but is also a decisive factor determining correlation of forces in the competition between the two different social systems. In one of his speeches L.I. Brezhnev noted: "It will be no exaggeration to say that it is precisely through scientific and technological progress that one of the major fronts of historical competition between the two systems runs today. This makes

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* Concluding article. For the first part see *Foreign Trade*, No. 2, 1982.

the further intensified development of science and technology and the wide application of the latest scientific and technical achievements in production not only a central economic, but also an important political task for our Party. The questions of scientific and technical progress became the subject of the decisive significance at the present stage."[1]

The application of scientific and technical achievements in mechanical engineering is of great importance for the development of our entire economy, for raising the efficiency of social production and expanding Soviet exports.

Mechanical engineering is a basic industry in the socialist economy. It creates the most active part of the basic productive factors namely, instruments of labour, and thereby in large measure determines the possibilities for technological progress and for the growth of social production.

In view of the fact that the heavy industry is the backbone of the country's economic might and of the further growth of the people's well-being, the CPSU and the Soviet state devote unabated attention to the development of mechanical engineering in the Soviet Union. Today in our mechanical engineering and metal-working industry there are over 8,500 well-equipped production associations and enterprises which are in possession of basic production assets to the value of around 100,000 million rubles and account for over a quarter of the country's industrial output.

Throughout all the five-year-plan periods our mechanical engineering has been developing at an accelerated pace. Evidence of the great contribution of our machine builders to the country's economic potential over the past five-year period is given by the fact that on the basis of Soviet-made equipment we have built and put into commission such large modern enterprises and projects as the first stage of the Leningrad atomic power station (2,000 MW), the blast furnace (5,000 cu. m) at the Krivoi Rog iron-and-steel works, new productive capacities at the aluminium plant in Bratsk and the Navoiazot Production Association, and hundreds of enterprises in other industries. The modernization and expansion of many existing industrial giants, including the Novolipetsky iron-and-steel works, the Ural heavy engineering works, the Likhachev motor works in Moscow and the motor works in Gorki, the Kharkov and Chelyabinsk tractor-manufacturing plants, the Kirovsky Zavod Production Association in Leningrad, the Yaroslavl and Omsk tyre factories, were and are being carried out on the basis of Soviet-made equipment. The export of Soviet plant and machinery has reached appreciable volumes.

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[1] L.I. Brezhnev. *Following Lenin's Course. Speeches and Articles*. Vol. 2. Moscow, 1973, p. 346 (In Russian).

Guided by the decisions of Party congresses and CPSU Central Committee plenums, Soviet machine-builders are carrying out planned measures to apply scientific and technical achievements in production. Under a planned economy such an approach produces the maximum macroeconomic benefit, helps raise the quality and technical standard of Soviet equipment and machinery and improve their competitiveness on the world market, since it assures the purposeful use of the results of investigations carried out by many research and design industrial institutes, the USSR Academy of Sciences, establishments of higher learning.

The Soviet Union has a great scientific and technical potential. The influence of science on production is constantly growing. The utilization of scientific projects in the Ninth Five-Year-Plan Period (1971-1975) saved 12,300 million rubles. In the Tenth Five-Year-Plan Period this saving was increased 50 per cent more. During 1976-1980 approximately 18,500 new machines, pieces of equipment, apparatus and instruments were created.

Technological progress as a whole is expressed by regular renewals of the means of production and of the output they produce. Over the past 20-25 years the rate of output renewal has increased 3.5-4 times; in some progressive industries the increase is even greater. The acceleration of technological progress in major sectors of the economy is effected from plans for the technical development of production, which are worked out and approved by the relevant ministries and departments.

For the Tenth Five-Year Plan (1976-1980), drawn up in accordance with the directives of the Party and the Government, state planning of the development of science and technology was founded on the comprehensive programmes developed for solving the most important economic problems. One hundred and sixty comprehensive programmes have been elaborated and approved for the Eleventh Five-Year-Plan Period. In the 13 comprehensive programmes for mechanical engineering provision is made for the development and manufacture of up-to-date machines, equipment and instruments. The principal task put forward before Soviet machine-builders is to raise the techno-economic standard and reliability of Soviet equipment and machinery and increase their unit capacity and productivity.

Mechanical engineering in the USSR is constantly undergoing progressive changes, ever new industries are being set up and rapidly developing. There is an increase in the manufacture of high-efficiency machinery and in the unit capacity of equipment and installations. All this makes it possible to resolve complicated scientific and technical problems and improve the qualitative characteristics of production both in the industries using equipment and machinery and in mechanical engineering itself.

The Soviet science and technology achievements help develop new types of machinery and raise the technical standards of equipment produced.

Soviet scientists, designers, technologists and workers have developed many unique machines and installations. For instance, the blast furnace at the Krivoi Rog iron-and-steel works (5,000 cu.m) designed to produce four million tons of pig iron a year is the largest in the world. In technical-economic characteristics it is much superior to other large blast furnaces. Soviet M-6000 type control computers manage the smelting process.

Our scientists were the first to design and develop a new type of fast-neutron reactor.

In technical-economic parameters Soviet walking and rotary excavators do not yield one iota to the best foreign models. The productivity of rotary excavators (2,500-5,250 cubic metres per hour) is 1.5-2 times better than that of cyclic machines. Walking excavators with a scoop of 40-80 cubic metres and a jib 85-metres long make it possible to change over to transport-free capping, thus increasing labour productivity 3-4 times.

Great progress has been achieved in manufacturing synthetic diamonds and in growing silicon, ruby and sapphire crystals. Today the diamonds are widely used in metal-working and drilling tools.

Artificial pure silicon crystals have made a genuine revolution in converting technology. Semiconductor electric current converters have replaced costly and unreliable mercury rectifiers and superseded costly and bulky motor-generators in rolling mills and other mechanisms in which controlled rotation is requisite. Silicon-based semiconductor elements have worked a technical revolution in computational technique. On their basis in the CMEA countries ES type computers have been created which are capable of performing from hundreds of thousands to hundreds of millions of calculating operations per second. Silicon crystals are used to manufacture pocket calculators, microprocessors and microcomputers.

New machines that Soviet scientists designed and developed are noted for their high efficiency. Over the past five-year period, for instance, associations and enterprises under the Ministry of Heavy and Transportation Machinery Engineering, have manufactured converters (400 t each) and continuous billet casting machines (output one million tons p. a. each) for the oxygen-converter shop of the Azovstal iron-and-steel works; a multipurpose mill for rolling wide beams whose utilization in construction alone saves thousands of tons of metal annually; a unique hydraulic stamping press with a force of 65,000 tons. The Leningrad Metallichesky Zavod and the S.M. Kirov Elektrosila plant in conjunction with other enterprises have manufactured and delivered a unique power unit (1,200,000 kW) for the Kostroma district electric power plant, a water turbine and generator (640,000 kW) for the Sayano-Shushenskaya hydroelectric power station, and have also put in production new large power units (800,000 kW) which assure appreciable improvement of power stations' technical-economic characteristics.

Associations and enterprises under the Ministry of Chemical Engineering Industry have started serial production of complete process lines to turn out 400,000 tons of ammonia a year, and also complete sets of equipment to increase the yield and depth of oil extraction from wells and expand the utilization of petroleum gas. Associations and enterprises under the Ministry of the Automotive Industry are manufacturing KamAZ motor trailers with a carrying capacity of 14 and 16 tons, and diesel-powered dump trucks with a 10-ton carrying capacity ensuring an appreciable economy in fuel consumption, and of BelAZ 75-ton dump trucks which markedly reduce transportation costs. The

Ivanovo heavy machine-tool factory has begun serial production of multi-purpose numerical programme-controlled machine tools with automatic tool changing and workpiece loading capabilities; one of these machines replaces several universal machine tools and increases labour productivity 3-5 times.

The Soviet tractor-building industry is now turning out large quantities of new super-powered tractors, including the T-150K general-purpose tractor and the MTZ-80 and MTZ-82 rowcrop tractors. The enterprises of the Ministry for Construction, Road Building and Municipal Services are producing new high-efficiency wheel-type trenching machines for cutting pipeline trenches in frozen ground and self-propelled hydraulic cranes with a lifting capacity of 40 tons, which considerably accelerate the assembly of structures and equipment.

This technically advanced Soviet equipment is exported in large quantities and it has been used to build hundreds of enterprises in the CMEA countries and several developing states. Various machines, equipment and instruments of Soviet make are showing good performance in individual economic sectors of foreign countries. A prominent place among these exports is held, for instance, by metallurgical, autogenous, cryogenic, oil and chemical equipment and pipeline fittings.

Thanks to the constantly rising technical standard of Soviet chemical and oil equipment, its exports have trebled over the past ten years. At present our industry turns out over 12,000 pieces of all types and sizes for the chemical and oil industry, a considerable part of which is exported to 70 countries. We introduce into mass production 600-650 new items of equipment every year. Soviet exports of cryogenic equipment is increasing every year. Over the last five-year-plan period the volume of these exports exceeded the figure for the preceding five-year period by more than 20 per cent.

The Soviet machine-building industry manufactures all types of equipment and machines for oil and gas prospecting, extraction and transportation. This equipment is easy to handle, reliable in operation and thanks to its merits is broadly recognized as being the best among specialists in the countries to which it is exported. Substantial numbers of these machines are of original design.

More than 50 countries buy Soviet oil and geological prospecting equipment. Its exports have increased 2.3-fold over the past ten years. The expansion of productive capacities, development of ever new models of equipment and improvement of processes are an important prerequisite for the further growth of export of products turned out by the Soviet oil machinery industry.

Soviet specialized apparatus for electro-slag welding is in use at many iron-and-steel plants abroad for joining articles up to two metres thick. According to the purchasers this apparatus ensures a high quality product and saves considerable amounts of material and time. At present over 300 such apparatuses are in operation in various countries, including Belgium, France, Sweden and Japan.

There is an increase in Soviet exports of electrothermic equipment. Out of this category the MDN-6 installations for casting non-ferrous metals in a magnetic field have of late occupied an important place. These installations are being used successfully in Bulgaria, Hungary and the GDR. Patents for them have been taken out in Belgium, Britain, the USA, France, the FRG and Japan. The K-190PA and K-355A rail-welding machines are much in demand abroad. Purchasers of this equipment from Australia, Austria, Bulgaria, Norway, the USA, Turkey and Czechoslovakia extol its high efficiency, the stable quality of the welded joint and the reliability of the equipment in operation.

Every year the world market shows an increasing demand for Soviet pumps whose range practically covers all such machines known in world practice. Even the most exacting purchasers give them good recommendations.

Much effort is being made by Soviet machine builders to raise the level of automation of their process equipment. The automation of production and machine operation not only appreciably increases the productivity of labour, but also changes its social content.

The automotive industry has made comparatively great progress in this respect. At the leading motor works, such as VAZ, KamAZ, GAZ, ZIL, from 60 to 85 per cent of their metal-working equipment is fully or semi-automatic.

One of the vital requirements of the times is to raise the level of mechanization of loading and unloading operations, to build modern automated warehouses. In the USSR, for instance, an articulated compensating manipulator with a lifting capacity of 150 kg has been developed and put in serial production; it mechanizes heavy manual operations on metal-cutting, metal-shaping and other machines. It is planned, by applying scientific and technical achievements, to develop the output and use of automatic manipulators (industrial robots) and built-in automatic control systems with the use of microprocessors and minicomputers, and set up fully automated workshops and factories.

In the Soviet Union considerable experience has been gained in automating complex production processes with control minicomputers. The current five-year plan envisages a much wider production automatization through the application of microprocessors and microcomputers. Our achievements in microelectronics make it possible to automate not only complicated processes or machine complexes, but practically any arrangement of machines. According to estimates, in the current five-year period it is possible to automate, on the basis of microelectronics, approximately 140,000 units, machines, experimental installations and measuring complexes.

The Soviet Union's appreciable achievements in the development of automation facilities enable it to offer for export many types of automatically controlled industrial equipment. In 1972, for instance, our country began exporting numerical programme-controlled machine tools. Taking into account the requirements of the foreign market, the All-Union Association Stankoimport helped organize the joint activities of several machine tool making enterprises in the USSR with the world's leading firms specializing in manufacturing control systems. As a result, Stankoimport can now place on the market Soviet-made various numerical programme-controlled metal-cutting machine tools, and also machine tools fitted with numerical control systems manufactured by such well-known firms as Siemens, Bosch (FRG), Olivetti (Italy), Fanuk (Japan), ASEA and SAAB (Sweden).

A high degree of mechanization and automation of work processes is inherent in Soviet food equipment. Over 500 types of such machines are on our export list. We should mention above all the shipments of clamp-forming machines and sugar-beet tractor-loaders. This equipment fully mechanizes all operations related to sugar beet reception, primary cleaning and storing on special sites. There is a great demand for Soviet mobile grain-loaders and grain-dryers; they help the mechanizing of grain-treatment operations.

Along with separate machines for grain treatment the USSR exports complete sets of production equipment for grain elevators. Highly automated equipment is supplied for elevators of various capacity. One operator at central panel controls the grain movement routes and the operation of all mechanisms. A special installation giving automatic centralized grain temperature control, is equipped with a signalling recorder enabling the operator to monitor the safe-keeping of the grain in silo towers.

Soviet printing equipment is well known among specialists in many countries; it is exported to 70 states. At present our export list contains high-efficiency photosetting units based on the FA-500S and FA-1000 up-to-date automatic photo composing machines for straight composition with a speed of up to 1,600 characters a minute. Such units are in use in most socialist and several capitalist countries. For those purchasers who prefer relief printing the firm supplies equipment for "hot" composition, which is also used in preparing printing plates for offset printing.

Firms abroad are keen on the Kniga (Book) automated lines which perform all book-manufacturing processes, ranging from gluing and edging the thread-stitched block to inserting it in hard covers and packing the finished books. The use of these lines in the USSR has already made it possible to release 70 per cent of the books completed automatically.

Soviet low-voltage equipment is widely used to complement distribution devices, control systems for machine tools and large electromotors, cabinets for controlling various technological processes (welding, cutting, overlaying, and so on). This equipment is exported to the CMEA countries, Egypt, India, Iran, Iraq and Turkey. Of special interest to purchasers are automatic switches of the Electron and A-3700 series, air- break and vacuum contactors, electronic relays of the VL-30 and VL-40 series, electromagnets for various equipment control circuits. In our Electron and A-3700 automatic switches semiconductor breakers are used for the first time in world practice. They make it possible for the current setting and time of operation of the maximum current protection relay to be altered.

The export programme of the All-Union Association Energomachexport offers a wide choice of equipment for manual arc welding, automatic and semi-automatic apparatus for inert and carbon-dioxide atmosphere welding as well as for under flux welding. As supply sources for these welding processes we sell new VDU-504, VDU-305, VDU-1201, VDU-1601 rectifiers with up-to-date thyristor control systems and universal characteristics, which makes their application possible in practically all industries.

On a level with the best foreign models for pneumatic tools are our V-shaped engines achieving a compressive pressure of 12 atmospheres. Mobile PV-10 stations with a rotor compressor find a ready sale in more than 30 countries. They have a high powered motor, small overall dimensions and a small weight; their design is simple and they are easy to operate. The Ruts, gas-blowers, mobile stations with a sliding-vane compressor, liquid-packet ring and membrane compressors are well recommended. In several countries a patent has been taken out for the Soviet design of a PIK-A uni-flow valve, which makes it possible to reduce power consumption for the drive of a machine by 8 to 12 per cent and increase efficiency by six to ten per cent and the time of unfailing operation, by two to three times. Licences for the manufacture of these valves have been sold to France and the USA.

An important trend in the work of our research institutions and in the efforts of our industrial enterprises is to develop and manufacture technically advanced equipment needed for the uninterrupted supply of energy and fuel for our economy and for the fulfilment of our commitments under the contracts we have signed. Today, the growing need for energy (electrical and fuel) is a characteristic of the Soviet economy. This tendency is a manifestation of the qualitative changes in the structure of our economy, including those in the means used to achieve effective end results in all its branches.

Today the associations and enterprises of the Ministry of Power Engineering turn out highly efficient and reliable basic and complementary equipment for the thermal, atomic, hydraulic and gas-turbine power stations; gas-pumping units for compressor stations of trunk gas pipelines; compressor, power-generating, process and utilization equipment for the chemical and petrochemical industries, ferrous and non-ferrous metallurgy and agro-industrial complexes; boiler equipment for household purposes; and many other products.

Over the previous five-year-plan period the output of hydraulic turbines has increased 26 per cent. The world's most powerful Francis turbines (640,000 kW each) have been manufactured for the Sayano-Shushenskaya hydro-electric power station. The S.M. Kirov Turbine Works in Kharkov have made propeller-type turbines with a unit output of 119,000 kW for the Lenin hydroelectric power station on the Dnieper river (second stage).

In the same period we started serial production of power units for district power stations with output capacities of 500,000 kW and 800,000 kW and also power and heat-supply turbines (250,000 kW) which have no analogs in world heat power engineering.

The boiler-constructing factories of the Ministry of Power Engineering in the past five-year period launched serial production of equipment for power units with a unit capacity of 500,000 kW and 800,000 kW. On the basis of the mass produced installations with a unit capacity of 500,000 kW and 800,000 kW, the Leningrad Metallichesky Zavod production association has manufactured the first single-shaft steam turbine (1,200,000 kW) for the Kostroma district heat and power plant. The Krasny Kotelshchik (Red Boiler) works has made for the same plant a single-body gas-tight boiler to produce 3,950 tons of steam an hour.

Enterprises of the Ministry have increased the output of gas turbines by 60 per cent. To equip atomic power stations with efficient steam turbines the Leningrad Metallichesky Zavod has started preparations for manufacturing one million kW turbines, rotating at 3,000 rpm. Events of national importance were the construction of the Atommash works and the manufacture by it of the casing for the first one million kW reactor. The Metallichesky Works is now devising fundamentally new and improving existing technological processes.

Technical progress in power machinery engineering and improvements in running boiler units and steam turbines were responsible for the considerable reduction of specific fuel consumption at power stations in the 1970s from 366 g/kWh to 328 g/kWh. As applied to the total volume of electricity output in our country this means saving 40 million tons of reference fuel a year.

The I.I. Polzunov scientific-production association in conjunction with other enterprises in the industry has found a series of new technical solutions that will increase the economy and reliability of energy-generating equipment operating on low caloric grades of local fuel. For instance, open fuel-preparation schemes have been developed which markedly reduce the influence of poor fuel and its unstable properties on the efficiency of boiler units. As a result, furnace efficiency improves and the economy of the power units increases: that of units using brown coal—by 3 to 4 per cent, and that of units operating on hard coal and anthracite dust—by 1.5 to 2.5 per cent.

Our sectoral research institutes in cooperation with factories of the Ministry of Power Engineering have discovered a fundamentally new technology for the development of boiler construction: the use of small-sized boilers with fuel combustion in a highly forced whirling combustion chamber with the removal of liquid slag. Such a furnace ensures a high degree of fuel burn-out, increases the economy of the burning process, and makes it possible to adapt the small-sized boiler to any of the various types of fuel.

The Soviet Union has made good progress in the manufacture of power-generating equipment and now exports it in quantity to many countries. Over the past 15 years Energomachexport has shipped turbines and generators for hydro-electric power stations abroad: Klosterfoss (2×5.3 MW) and Vigelands Brug (2×13.4 MW) in Norway; Hirakud II (25.4 MW), Balimela (6×6.7 MW), Mettur Tunnel (4×56.7 MW) and Linganamakki (2×27.5 MW) in India; for the Sigalda (3×51.7 MW) in Iceland; Mica (2×444 MW), Jenpeg (6×28 MW), Mactaquac (2×110 MW) and Site I (4×178 MW) in Canada; for the Capivara hydroelectric power station in Brazil. At present we are shipping equipment for the new hydroelectric power stations: Sobradinho (6×178 MW) in Brazil, Salto Grande (14×

135 MW) in Argentina and Uruguay, and Purnari (3 × 103 MW) in Greece; four convertible generators with a capacity of 209 MW each for the Zarnowec state atomic power plant in Poland.

A notable place in Soviet exports goes to gas compressorless utilization GUBT type turbines which utilize surplus blast-furnace gas pressure for electricity generation. Since 1974 GUBT turbines have been in use in Japan, and their reputation is unimpeachable. At present five GUBT turbines are in operation at Japan's largest iron and steel plants. S. Takuma, a representative of the Nippon Steel Corporation (Nagoya), characterizes them as follows: "We are pleased with the GUBT turbines' operation because we get cheap electric current from them above all. We carefully studied the market and stopped precisely at GUBTs. The high technical characteristics of the machines suit us above all. They are the best". The Japanese have been followed by the Italian steelmakers. The first GUBT turbine in Italy has already been assembled at the iron and steel works in Piombino.

Over 120,000 diesels, diesel-generators and diesel-powered electric stations supplied by Energomachexport are now operating in 60 countries. Every year we export over 100 models of this equipment. S. Roy, the chief engineer of the technical department of Industrial Gases Ltd. (Calcutta, India), said: "Diesels from the USSR are highly popular in India. They can operate on highspeed diesel fuel and much cheaper ones; what is more, Soviet diesels consume far less fuel than similar units manufactured by many other foreign firms".

There is a great demand on the world market for compressor machines as power-generating installations. High efficiency and reliability is a distintive feature of Soviet compressors. The export of Soviet compressor stations is growing. Over the past three years alone our exports of compressor equipment has increased by 23 per cent. Large batches of air and gas compressors have been shipped to Hungary, Poland, Bulgaria, Romania and Cuba.

Much attention in Soviet mechanical engineering is devoted to the improvement of technological equipment with better environmental protection in mind.

In accordance with the targets of our five-year and annual plans for the protection and rational use of water resources, our enterprises and organizations are carrying out technical and organizational measures for the economic consumption of water, and the cleansing and reduction of the volume of waste water. In some industries (oil refining, non-ferrous metallurgy, ship building, some branches of the chemical industry) the total amount of water consumed, despite the growing volume of production, has hardly increased in recent years.

In our industry water-free or low-water processes are applied more and more, process units are being switched to air cooling, wider use is made of mineralized and pit waters, better water recycling systems are being developed, and other similar measures are being carried out in accordance with the specificity of each industry.

In Soviet heat power engineering, for instance, measures to save water include a reduction in the specific consumption of cooling water by increasing the efficiency of power plants, and also the development of more effective radiator-coolers for condensation-cooling installations.

The present level of science and technology makes it possible to create cyclic water systems for many industrial enterprises. Such systems have already been installed and are being used successfully at the Almalyk chemical works, the Novolipetsky iron-and-steel plant, the Lisichansk and Kremenchug oil refineries, and so on. In the pulp-and-paper industry water utilization systems without the discharge of waste into water bodies are being built at the Selenga pulp-and-cardboard complex and the Rakhov cardboard factory.

In accordance with the decision of the CPSU Central Committee and the USSR Council of Ministers, on the intensification of environmental protection and improvement of the utilization of natural resources, measures are being worked out to further improve the application of secondary material contained in solid domestic waste, in particular, measures to set up and increase production of equipment for these purposes.

Our achievements in developing purification facilities enable Soviet foreign trade organizations to put individual types of specialized equipment on the foreign market. Among the traditional types of equipment mostly exported by the USSR, are the FPAKM filter presses for filtering fine-dispersed suspensions, OGSh centrifuges for sewage purification, air-cooled apparatus of the AVG series for cooling chemical products.

Due to the high air pollution municipal authorities of many towns abroad are now inclined to purchase trolley-buses for public transportation purposes. The Soviet Union, which has great experience in the manufacture of trolley-buses, offers them for export. Over 600 trolley-buses, turned out by the Uritsky factory in Leningrad, have been shipped to Hungary, Poland, Yugoslavia, Argentina, Greece and Colombia. In 1979 a shipment of 124 trolley-buses for the capital of Greece was completed. In 1980 thirty-three of them were shipped to Belgrade. Early in 1980 we began exporting our trolley-buses to Argentina for the town of Rosario for the first time.

One of the current economic tasks consists in saving metal and reducing the metal-intensity of engineering products. Over the past five-year period tangible results have been achieved in this respect. Some 12,000 tons of metal are annually saved, for instance, on the manufacture of railway car axles by way of the new cross-screw rolling method (in the past they were made by a free forging process with a great allowance for machining).

An important way to achieve economy in the use of metal is to reduce the specific metal-intensity of equipment. Over the past few years Soviet machine builders have effected progressive changes in the design of machines, reduced the weight of individual units and parts, widened the application of several effective substitutes for ferrous metals. As a result, material-intensity, and especially metal-intensity of many types of output has markedly declined. The specific metal-intensity of turbines and diesel locomotives, for instance, has been reduced 20-30 per cent, of motor vehicles 16.5-20 per cent, tractors 9.5 per cent, diesels and diesel-generators—15 per cent, box freight cars 5.5 per cent, tower cranes 17 per cent, multiscoop excavators and mechanized complexes 16 per cent, iron-and-steel machines and units 15-17 per cent. The more than twofold increase in the power of a Soviet-made unit for an atomic power plant has been achieved without any marked increase in its weight, but thanks to better design and higher metal quality.

In the USSR new grades of steel for producing steel forgings have been developed making it possible to enormously reduce the rejection rate when manufacturing important parts. An original technology has been devised and mastered in the USSR for alloying steel by lead or calcium additions, thus steeply increasing the machinability of steel; as a result, the durability of tools when high-speed machining such new grades of steel is 5 to 10 times higher. A process and equipment has been developed for thermic strengthening of large-diameter pipes, thereby reducing the metal-intensity of trunk gas pipelines 15 per cent. The use of thin-walled thermostrengthened pipes, awarded the State Quality Mark, saved 224,000 tons of metal during the last five-year-plan period.

In recent years our industry has mastered the output of equipment and machines whose specific metal-intensity is lower than that of the best foreign models. These are, for instance, pit walking excavators manufactured by the Uralmash works, or pipe electric welding apparatus turned out by the Elektrostaltyazhmash plant. Our industry manufactures high-efficiency metallurgical equipment to roll metal with the minimum machining allowance possible and of a high level of quality and precision, which also saves metal in the subsequent machining.

The methods of powder metallurgy applied in manufacturing machine parts open up ample possibilities for saving metal, increasing the reliability of products and appreciably reducing their labour-intensity.

Many types of highly productive installations developed in the Soviet Union are much in demand on the world market. We have exported, for instance, more than 60 mills for cold rolling pipes. Our partners abroad show great interest in the Soviet high-speed rotary saws used for cutting rolled metal and ingots in rolling mill production lines and continuous billet casting machine lines. The Japanese firm Nippon Steel has purchased such a saw and uses it in a line for manufacturing large-diameter seamless pipes. Seven sets of rotary saws have been shipped to Romania.

Soviet-made blast-furnace equipment has earned a good reputation at iron and steel plants in many countries. Among them are, for instance, nine slag-carriers now in operation at the Norrbottens Jarnverk steel plant in Sweden with a 16 cu m bowl. Soviet iron casting machines (100 tons per hour) have been in operation without a breakdown at the factories of the Ovako firm (Finland) since 1970, and at the Surahammar Bruks firm (Sweden) since 1973.

Soviet installations for the centrifugal refining of tin, lead and other non-ferrous metals, and their alloys find a ready market abroad. Nine of these have been shipped to the GDR, Australia and Bolivia.

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The decisions of the 26th CPSU Congress have outlined a broad programme to speed up scientific and technological progress with a view to raising the efficiency of social production and successfully accomplishing the tasks of communist construction. "The corner-stone of scientific and technological progress is the advancement of science," L.I. Brezhnev said at the Congress. Special attention is devoted in this connection to the priority development of fundamental research which ensures an ever deeper knowledge of the laws of nature and society, a steady build-up of the country's scientific and technical potential, and the creation of machines and technologies of the future and the possibilities for a lasting satisfaction of mankind's requirements.

The turn to intensification, efficiency and quality the CPSU organically links up with the effort to improve production on the basis of modern science and technology. In the current five-year-plan period the accelerated technical reequipment of enterprises, the most rapid development and universal introduction of high-efficiency machines, mechanisms and complexes and the application of energy- and material-saving technology on a broad scale is envisaged. It is planned to rapidly develop mechanical engineering and concentrate on the creation and introduction of highly productive equipment: numerical programme-controlled machine tools and manufacturing combines fitted out with industrial manipulators and robots. Improvement of the entire production technological preparatory process, the change over to the output of large units and modules, and standardized assemblies and parts so as to achieve a high level of production automation during the entire technological cycle, including assembly operations, are all very important.

The progress our country has made in developing and manufacturing ever new types of equipment attests to the continuous growth of the USSR's scientific and technical potential, to the futility of attempts to hinder the economic development of the Soviet Union by bans on shipments of individual types of new technology. Our country regards trade in engineering products like trade in general, as a reliable way of strengthening longtime good-neighbourly relations, as a foundation on which to build lasting peace.

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GENERAL

SOVIET ASSISTANCE TO OTHER COUNTRIES REVIEWED

Moscow FOREIGN TRADE in English No 3, Mar 82 p 42

[Text]

BULGARIA

In the construction of pulp-and-paper enterprises the Soviet Union renders Bulgaria wide assistance.

A pulp-and-paper complex in Miziya, pulp mills in Stamboliysk and Svishtov and other enterprises were all built and commissioned with Soviet help.

Assistance is being rendered in modernizing and expanding pulp-and-paper complexes in Silistra and Pazardzhik and also other projects which the Soviet Union helped build.

In October 1981 the cardboard factory in Kostenets became operational. Its rated capacity is 25,000 tons of paper and cardboard per annum.

HUNGARY

Ferrous metallurgy is the main subject of Soviet-Hungarian economic and technical cooperation. The USSR assisted in building the Danube iron-and-steel complex, the largest enterprise in Hungary. The complex produces almost one-third of Hungary's ferrous metal output. The Soviet Union is now taking part in reconstructing and expanding the complex. An oxygen-converter plant which can produce one million tons of steel per annum and is conducive to more fully meeting the Hungarian national economy requirements in ferrous metal products has been put into operation at this complex.

BRAZIL

Negotiations with Brazilian delegations on developing Soviet-Brazilian economic and technical cooperation were held in Moscow in 1981.

In the course of the talks a protocol, a document outlining Soviet organizations participation in constructing the Ilha Grande electric station with a power about 2.4 million kW, and a contract on rendering technical assistance in oil prospecting were signed. Under the latter Soviet consultants will be sent to Brazil and Brazilian specialists undergo training in the USSR

CONGO

In 1981 Moscow witnessed the signing of an intergovernmental Agreement on the Further Development of Economic and Technical Cooperation between the USSR and the Republic of Congo and a Protocol on Economic Cooperation.

The documents were signed by S.A. Skachkov, Chairman of the USSR State Committee for Foreign Economic Relations and by J. Okanza, Ambassador of the People's Republic of Congo in the USSR. Further expansion of Soviet-Congolese cooperation is envisaged, primarily in geology and the prospecting of mineral resources.

MADAGASCAR

The towns people of Tananarive witnessed a ceremony of putting into operation a 150 kW medium-wave radio station, built with Soviet technical assistance. The station is the largest in Madagascar making it practically possible for its programmes to be received over the country's entire territory.

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During the second meeting of the Soviet-Madagascar Commission on Economic and Technical Cooperation and Trade a protocol was signed on rendering Madagascar technical assistance in constructing a veterinary station, in creating experimental grain farming facility on an area of 200 hectares, a workshop to repair tractors and other farm machinery, in prospecting for rare and non-ferrous metals. Exchange letters were signed on the help needed to work out the technical and economic substantiations for the development of 4,000-5,000 hectares of land in the region of the Mandrare river and prepare the design and technical documentation for a 1,000-hectare first priority plot of land.

MONGOLIA

A Mongolian-Soviet friendship meeting, devoted to the commissioning of a new stage of a carpet factory built with Soviet technical assistance, was held in Erdenet. The factory is among the largest enterprises of the country's light industry. At present the factory produces 650,000 square metres of carpet articles per year, and on completing the construction its output will double. The factory is fitted with up-to-date equipment enabling it to turn out high-quality carpets which are rich in colour and pattern representing Mongolian national ornamentation. Part of the products will be delivered to the Soviet Union.

KOREAN PEOPLE'S DEMOCRATIC REPUBLIC

Power generation holds an important place in the economic and technical cooperation between the Soviet Union and the Korean People's Democratic Republic.

The USSR helped the Korean People's Democratic Republic build and put into operation the Suphon 700,000 kW hydro-electric station, the Pukch'ong 1,200,000 kW thermal power plant, the Pyongyang and Unggi heat and power plants with powers of 400,000 kW and 100,000 kW respectively. In 1980 all the above facilities generated 60 per cent of the country's entire electricity.

At present the Soviet Union is rendering assistance to the KPDR in expanding the Pukch'ong thermal power station from 1,200,000 kW to 1,600,000 kW and in building the Ch'ongjin 150,000 kW heat and power plant. At the Pukch'ong thermal power station one more 100,000 kW power block was commissioned. Thus the station power rating has reached 1,300,000 kW.

AFGHANISTAN

In October 1981 Kabul put into operation a new bakery built with the technical assistance of the USSR. Its capacity is 72 tons of bread and other baked articles per day. Construction work was completed ahead of schedule.

ETHIOPIA

In 1981 the third meeting of the Soviet-Ethiopian Intergovernmental Commission on Economic, Scientific and Technical Cooperation and Trade was held in Addis Ababa.

During the Commission's work the sides concluded an agreement on cooperation in building the Melka-Wakana 150,000 kW hydro-electric station and a 220-km transmission line with a substation. A protocol was also signed on rendering assistance in carrying out design and survey work for constructing a dam on the Alvero river and in building an irrigation system to develop 10,000 hectares of land in the region of Baro-akobo (Gambela) as well as on elaborating a comprehensive plan for rational use of the region's water and land resources. The parties exchanged letters on expanding the geological surveys and prospecting solid minerals.

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GENERAL

TRADE EXPANSION OF BEIJING IN ASIA

Moscow IZVESTIYA in Russian 16 Feb 82 p 5

[Article by S. Agafonov: "Beijing's Trade Expansion in Asia"]

[Text] Beijing's shift from the tactics of direct head-on pressure to political maneuvering in the sphere of inter-state relations became a characteristic feature in China's relations with a number of Asian countries at the beginning of the 1980's. China's present leadership is increasingly arming itself with a policy of "appeasement" and a "diplomacy of smiles," attempting to convince its opponents of the "sincerity" of its desire to normalize relations and establish mutual ties in the most diverse spheres. Beijing's foreign economic course in this aspect plays a quite important role, since the thesis of its endeavour to develop economic relations with its Asian partners is being used by the Chinese leaders as a kind of a lure, the first step on the way toward subsequent actions in the political sphere.

However, while calling in words for the organization of "mutually advantageous economic cooperation," Beijing in fact is pursuing the goal of commodity intervention. This completely fits in with the Chinese scenario of turning sovereign states into a Beijing "sphere of influence," and, in addition, accords with the pragmatic needs of the present day. For, according to the calculations of Beijing's strategists, trade by the Chinese People's Republic with the developing countries can present the possibility of covering a substantial part of China's foreign trade deficit with the developed capitalist states, and also bring the Chinese treasury currency which is so needed for carrying out China's ambitious program of "modernization."

The "mutual advantage" which is advertised by Beijing turns out to be economic expansion in the pursuit of which China makes use of all possible forms of extracting profits. China's position in its economic relations with the ASEAN (Association of South East Asian Nations) member countries is characteristic in this connection.

The invasion of cheap Chinese goods of the markets of Malaysia, Indonesia, Singapore, Thailand, and the Phillipines which became especially active beginning with the end of the 1970's has proven to be a serious brake upon the development in these countries of national branches of industry. The policy of dumping prices is Beijing's basic weapon in the conquest of foreign markets. As a result of this policy, the positions of Thailand's spinning industry enterprises have been seriously undermined, and serious difficulties are being experienced by pharmaceutical factories in the Phillipines. Beijing's periodic sale on the international market of major consignments of tin has a negative effect upon the budgets of Malaysia and Indonesia for which exports of this product are one of the chief sources of currency.

However, the policy of dumping prices is merely the first stage of trade expansion. It is frequently followed by the practice of increasing prices for Chinese exports. In this way, Beijing, by making use of an influx of cheap output, tries to undermine the positions of competitors and occupy a dominant position in a specific branch and thereby establish a monopoly right to the production and marketing of goods at profitable prices. An eloquent confirmation of this is the tactics of selling Chinese petroleum on the ASEAN market. In the middle 1970's Beijing began to export this raw material there at a lowered price. But no sooner had China become established on the region's petroleum market than the prices were sharply increased. Beijing's partners are bearing gigantic losses from this selfish policy. Thus, for example, as a result of such manipulations the price of Chinese petroleum on the Thai market has increased by several times during recent years. On the other hand, according to the data of the Indonesian agency PAB, China's profits from trade with the ASEAN countries have tripled in three years.

It is interesting to note the fact that in its trade and economic contacts with its Asiatic partners Beijing invariably tries to reach a position in which a positive balance develops in its favor in the bilateral relationships. For example, in the current financial year, Thailand's balance of payments deficit in its trade with Beijing comes to around 250 million dollars and shows a tendency to increase. Beijing also has a favorable balance in its trade with Singapore (more than 350 million dollars) and the Phillipines (160 million dollars). The ASEAN states' overall deficit in trade with China has doubled during the last three years. In addition, China is retaining a free hand in the sphere of economic relations. Thus, China arbitrarily curtails the amount of imports from neighboring countries, referring to high prices, market conditions, and other causes. In view of the fact that the export possibilities of its Asian partners are limited to goods the need for which is not great in China or can be satisfied from other sources, Beijing sometimes uses its trade relations as a form of political blackmail.

Apart from its trade contacts on the official level, China is actively engaged in the smuggling of Chinese goods into neighboring countries, and is also increasing re-exports through Hong Kong and trade through dummy Hong Kong companies. The British colony on China's territory is of exceptional importance for Beijing's trade operations. Suffice it to say, that through Hong Kong China obtains around one-third of its income in foreign currency (3-4 billion dollars annually). It is not without interest to note that here also there is a favorable trade balance for China and, moreover, in the ratio of approximately 4 : 1.

Beijing assigns a substantial place in the conduct of this policy to the Huacao--persons of Chinese origin living abroad. These people occupy their strongest position in the economies of the ASEAN countries. Thus, according to the Indonesian "Merdeki," they possess a capital of 16.3 billion dollars in the ASEAN countries. They control all of the domestic and 70 percent of the foreign trade of Singapore, and the share of Chinese capital in the branches of Malaysia's processing industry comes to 70 percent. Of the 29 Thai banks, 16 belong to Chinese. People of Chinese origin living in Indonesia hold 75 percent of the national income in their safes.

The drain of Huacao capital into China has become a characteristic phenomenon in recent years. Their capital is being used to create mixed companies, to build enterprises, and to finance various projects. It is again the states of the region which are suffering from this: The exportation of capital is leading to stagnation in the development of their national economies.

In addition, Beijing is attempting to maneuver the capital of the Huacao: In keeping with its instructions, capital belonging to ethnic Chinese is pumped out of the branches which produce goods which could compete with Chinese exports into other branches. The plan is extremely simple--a weakening of the positions of local companies leads to the creation of the conditions for a monopolization of the market by goods from China.

It has to be noted that China is making active efforts to penetrate the markets of the states of Southern Asia. Chinese goods are appearing with increasing frequency in Pakistan, Nepal, and Bangladesh. Beijing gets considerable profits from these countries. A great deal is said, for example, by the following figure--with an overall trade turnover between China and Nepal of 230 million Nepalese rupees, the Nepalese side's unfavorable balance comes to 205 million of them. A similar situation can be observed in the relations with Bangladesh--its deficit in trade with Beijing exceeds 30 million dollars. The dumping offensive of Chinese goods is already creating serious difficulties for Indian exports (the average price of Chinese goods, as the HINDUSTAN TIMES has noted, is 10-15 percent lower). And, moreover, it is being waged against traditional partners with which India has maintained long-standing established relations.

The principles on the basis of which China is organizing its economic relations with the developing Asian states and the tactics to which it adheres in the sphere of trade are giving rise to serious worry and apprehension among its partners who are rightly taking note of the expansionist thrust of Beijing's actions. The formulation "money is politically neutral" which was once put forward by the Deputy Premier of the State Council of the Chinese People's Republic Li Sa'niniang quite accurately reflects the true character of the Chinese leaders' aspirations. China is pursuing the goal of the conquest of markets and of the spreading of Chinese influence to the economies of these countries with a long-range aim--the subsequent use of economic dependence upon China as a lever for political pressure. China is organizing its trade relations with the states of South and South-East Asia on the basis of thoroughly selfish goals, and it is not stopping before the infliction of damage upon the national economic interests of the developing countries.

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